

PM686B VERSION 3.0

Crystal River Properties - Rental Property Acquisition Guide

Final Project Report

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Abstract

Crystal River Properties is a privately owned small business started in 2011 whose sole revenue stream relies upon rental income from company owned small multifamily (duplex and triplex) real property assets. In order for the business to expand, additional properties need to be acquired to increase revenue.

Current real-estate market conditions make it financially impractical to purchase new construction properties. The most feasible alternative is to consider pre-existing properties which, if not done correctly, could expose the company to considerable financial risk.

This project will research and identify methods to select prospective existing rental income properties with the greatest potential for maximum, sustainable net income based on operations and maintenance costs, marginal revenue, turnover rate and vacancy rates. The underlying objectives will be used to best meet the expectations of the potential occupant segment of stakeholders. Assessment criteria will be based upon price (anticipated return on investment), location, size, age, type of construction, property condition (recent renovations), insurance and tax rates, lessons learned from past property procurements and risk analysis considerations. Consolidated results of gathered information and research will be packaged into a step-by-step user guide for income property acquisition. The guide will be available in electronic PDF and hard copy format.

The methodology depicted in the guide will enable a thorough evaluation of property selection alternatives against likely risks and key success criteria providing the tools necessary to acquire additional business assets in the most economical fashion while simultaneously exposing the company to the least amount of financial risk.

Keywords

Rental Property, Triplex, Duplex, Income Property, Multi-Family, Investment, Tenant, Real-Estate, Stakeholder Management, Communication Management, Tenant Survey, Property Management, Step-by-Step guide, Selection Criteria, Business Assets, Tools, Risk Management, Finance, Return on Investment (ROI), Lessons Learned, Systemic Evaluation, Property Selection

Introduction

Purpose

Regardless of the magnitude, investing in real-estate endeavors can be one of the largest financial transactions an individual or business entity may ever undertake. Along with any purchase of this size there will always be uncertainty, anxiety and a certain amount of financial risk involved for the owner/investor. The primary purpose of this project was to help alleviate some of these negative feelings and educate owners/investors by creating a guide that would strategize a systematic method by which a multi-family investment property could be acquired in the Matanuska Valley while simultaneously exposing the owner/investor to the least amount of financial risk.

Background

As was the case with many mid-level investors during the financial crisis of 2008 the author suffered some devastating financial losses in personal financial investments. With the uncertainty in the financial markets and the global economy as whole, the time had come to diversify into something completely unrelated to traditional market investing strategies. Having lost thousands in various sectors of the U.S. stock market, left with only valueless slips of paper as defunct shares, the author determined the wisest choice for a diversification strategy would be to own some type of physical investment, something that could actually be seen and physically touched.

The intent was to find an alternative investment vehicle that, if done properly could create an opportunity for a safe and stable return on investment with a minimum amount of risk while simultaneously affording some peace of mind to the investor. That opportunity came to fruition through the acquisition and operation of small real-estate rental income properties. To date Crystal River Properties has acquired and operates two rental properties, a duplex in 2011 and a triplex in 2013, with gross rental revenues of approximately \$58,000 annually. Future expansion of the business hinges upon making educated sound financial decisions when acquiring additional properties.

Current market conditions make it virtually impractical to purchase new construction properties primarily because the higher sales prices elevate operating costs to the point of exclusion from an acceptable return on investment once a cost benefit analysis has been performed. What remains is a variety of pre-existing potential properties to select from. The majority of the multifamily homes in the Matanuska Valley currently on the real-estate market in the \$250,000-\$400,000 price range were built during the middle to late 1980's at the height of the oil boom in Alaska. Considering a property of this age for purchase adds a considerable amount of additional financial risk if not done correctly. Many of the major components of properties exceeding thirty

years of age will be close or will have already exceeded their service lives. Examples of these high cost components include the roof heating/cooling systems, septic system and exterior paint/siding finish. Thoroughly studying potential investment property characteristics based upon price, type of construction and property condition could potentially drastically reduce financial risk to investors when acquiring rental income properties.

Project Scope, Objectives and Deliverable

Project Scope

The project included research and identification of systematic selection criteria for evaluating and acquiring rental income properties packaged into a step-by-step user guide for income property acquisition. Assessment criteria will be based upon price (anticipated return on investment), location, size, age, type of construction, property condition (recent renovations), insurance and tax rates, lessons learned from past property procurements and risk analysis considerations. Excluded from the project was any actual real-estate market research for the purposes of placing an offer to purchase and acquire any additional income properties.

Objectives

The primary objective of the project was to provide the management of Crystal River Properties and other small rental property businesses with a usable guide to ensure acquisition of additional company assets in the most economically feasible manner. Project Business Goals included equipping company decision makers with the requisite tools to make sound property acquisition final decisions, minimizing the company's exposure financial to risk, providing a means to increase company revenue and safely expand business and enable the company to gain the highest return on investment for business owned real property assets.

Deliverable

The single deliverable for this project was to develop a systematic approach to evaluate potential rental income properties and package it into a step by step user guide for income property acquisition.

The rental property acquisition guide will be made available in electronic PDF and hard copy format to Crystal River Properties as well as local real-estate agents specializing in investment property sales to be distributed to other small businesses, (less than \$100,000 total annual revenue), who engage in similar rental property acquisition and management practices.

The desired outcome of this project was to enable small companies engaging in income property acquisition operations to perform a thorough evaluation of property selection alternatives against

likely risks and key success criteria and provide the tools necessary to acquire additional business assets in the most economical fashion while simultaneously limiting the organization's exposure to financial risk.

Project Management

Project management is the application of knowledge, skills, tools and techniques to project activities to meet the project requirements (PMI, 2013). There are many ways in which a project can be carried out and the way in which it is executed is project management (Importance, n.d.) Project management is accomplished through the appropriate application and integration of the 47 logically grouped project management processes, which are categorized in the following five process groups:

- Initiating,
- Planning,
- Executing,
- Monitoring and Controlling, and
- Closing

Project Management is both necessary and essential to the success of a project. Application and mastery of the five process groups delineated in the Project Management Body of Knowledge for the Rental Property Acquisition Guide Project are outlined below.

Project Initiation

The initiating process group consists of those processes performed to define a new project or a new phase of an existing project by obtaining authorization to start the project or phase (PMI, 2013). The Initiating Process for the project started with a business needs assessment from company owners which defined the need for the Rental Property Acquisition Guide. Once the high level needs of the project were identified the initial scope was developed and the project manager was assigned. Next, internal and external key stakeholders were identified and included in the initial stakeholder register. Finally, the information was consolidated and captured into a project charter which once signed by the project sponsor officially sanctioned and authorized the project.

Project Planning

The planning process group consists of those processes performed to establish the total scope of the effort, define and refine the objectives, and develop the courses of action required to obtain those objectives (PMI, 2013). Thorough planning of the project ensured the component parts of the project were completed on time. The planning process began by taking the information

documented in the initiating process and integrating it into the initial project management plan. Devolvment of the project management plan included scope, stakeholder, time, change, risk, metrics, cost, quality, human resources, procurement and closeout as subsidiary plans. Embedded within the various subsidiary plans was the project scope statement, schedule, Gantt chart, work breakdown structure, risk register, risk implementation plan, change log, requirements traceability matrix, stakeholder register, and key performance indicators. The planning process also included development and approval of the research methods that would be utilized during the project. Research subjects and subject matter experts were identified; surveys and interview questions were designed, submitted and approved by the University of Alaska Institutional Review Board (IRB).

Project Execution

The executing process group consists of those processes performed to complete the work defined in the project management plan to satisfy the project specifications and involve coordinating people and resources, managing stakeholder expectations as well as integrating and performing the activities of the project in accordance with the project management plan (PMI, 2013). The execution phase of the project started with the 'Kick-off' the project where all the key players, project manager and sponsor met to set in motion the official start of the project. When the project was formally underway research data was gathered through a review of literature, subject matter expert interviews and surveys. Once the research was complete, the raw data was compiled for analysis. Upon completion of analysis the results were used to develop the framework and content for the final project deliverable. Simultaneously throughout project execution, the project manager completed the requisite academic deliverables associated with the requirements to complete the capstone project and MSPM program.

Project Monitoring and Control

The monitoring and control process group consists of those processes required to track, review, and orchestrate the progress and performance of the project; identify any areas in which changes to the plan are required; and initiate corresponding changes (PMI, 2013). The monitoring process was practiced during the execution of the project through the production of regularly scheduled project status reports as well as the close monitoring and evaluation of project key performance indicators. Control of the project was practiced by responding to risk and implementing the risk response plan; identifying the need for change, controlling changes and taking appropriate action when a change was required. Examples included swift action and response to realized risks through the application of control feedback and problem solving techniques; and monitoring project key performance indicators. Anytime thresholds exceeded limits, resource assignments were added accordingly to facilitate a trending movement of the WPI back towards the optimum value of 1.0.

Project Closeout

The closing process group consists of those processes performed to conclude all activities across all project management process groups to formally complete, the project phase, or contractual obligations (PMI, 2013). The closeout process included validation that all project requirements were completed and the final deliverable distributed to all intended recipients. The project manager completed a final project report which documented project key resources, performance change data, objectives and measurements, lessons learned and key project documentation. Formal acceptance from the project sponsor of the report signified the completion of the project.

Knowledge Area Mastery Discussion

A knowledge area represents a complete set of concepts, terms, and activities that make up a professional field, project management field or area of specialization (PMI, 2013). To some degree all ten of the knowledge areas identified in the PMBOK along with their associated management processes had some significance in the successful completion of the project. The specific knowledge areas considered most essential for the success of the Crystal River Properties Rental Property Acquisition Guide project included time, stakeholder, integration and communications management.

As with most projects success depends on how well the knowledge areas for the project were effectively integrated within the five process groups. As supporting elements the Knowledge Areas provided a detailed description of the process inputs and outputs along with a descriptive explanation of tools and techniques most frequently used within the project management processes to produce each outcome (PMI, 2013). Specific knowledge area applications to the project and performance measures are detailed below.

Project Time Management

Project time management included the processes required to manage the timely completion of the project (PMI, 2013). Time management for the project was monitored and managed through the application of Microsoft Project and WBS Chart Pro. This project was considered very time critical and required the completion of PM686A, PM686B and the final deliverable by 31 December 2014 in order to stay in sync with company strategic goals. Performance for this knowledge area was measured during the project by the generation of an accurate and thorough schedule with baseline, presence of a schedule management plan, accuracy/reporting of work performance data, and appropriate action taken to reprioritize remaining work in the event of identified schedule variances (schedule control).

Mastery of project time management was demonstrated by maintaining project execution on the planned schedule by comparing planned work hours with actual work hours, making refinements and adjusting the schedule and resources as required. This was accomplished by using a Work Performance Index (WPI) as the primary key performance indicator for the project. WPI was calculated by using the CPI function in Microsoft Project assigning one resource for the project at one dollar per hour and then comparing planned work to actual work hours to complete a task. Throughout the execution of the project the project manager continued to refine future resource requirements through trend analysis of the current WPI. Based on that information, the expected hours required to complete tasks further into the execution of the project were systematically adjusted accordingly in an effort to increase WPI trends to a number closer to 1.0.

Project Stakeholder Management

Project stakeholder management includes the processes required to identify the people, groups or organizations that could impact or be impacted by the project, to analyze stakeholder expectations and their impact on the project, and to develop appropriate management strategies for effectively engaging stakeholders in project decisions and execution (PMI, 2013).

Stakeholder management also focuses on continuous communication with stakeholders to understand their needs and expectations, addressing issues as they occur, managing conflicting interests and fostering appropriate stakeholder engagement in project decisions and activities (PMI, 2013). Stakeholder engagement and management was critical for the success and quality of the project and final product. The project deliverable relied heavily on stakeholder inputs throughout the research and data analysis portion of the project.

Performance for this knowledge area was measured by the Presence of a detailed Stakeholder Management Plan that included management strategies to effectively engage stakeholders throughout the life cycle of the project based on needs, interests and potential impacts to the project, thorough stakeholder identification and analysis and the ability to effectively manage stakeholder engagement relationships and adapt to changing needs or requirements.

Mastery of project stakeholder management was demonstrated throughout the project by carefully addressing each of the stakeholder's needs and accessing their potential impact to the project. Examples included multiple engagements with the IRB during PM 686A to obtain research approval; regularly scheduled meetings with advisors and committee for project direction and guidance; continuous engagement with subject matter experts and research subjects; adapting to dynamic schedules during interviews and survey data gathering and routine engagement with MSPM staff for technical assistance with software and audio visual matters.

Project Integration Management

Project integration management includes the processes and activities to identify, define, combine, unify and coordinate the various processes and project management activities within the project management process groups. In the project management context, integration includes characteristics of unification, consolidation and communication and integrative actions that are crucial to controlled project execution through completion, successfully managing stakeholder expectations, and meeting requirements (PMI, 2013).

Performance for this knowledge area was measured by the timely production and submission of an approved project charter, a complete Project Management Plan to include pertinent subsidiary plans to complete the project, successful direction and management of project work by project manager, proper reporting of project progress, documented management of integrating change control and application of appropriate project closeout plan.

Mastery of integration management was demonstrated throughout the execution of the project by the project manager's skilled ability to refine and iterate the project management plan as requirements dictated. Examples included meeting PM686A and PM686B PPM deliverables with continuous updates to requirements traceability matrix, WBS, Gantt, schedule, risk register, communication matrix, risk response implementation and other project subsidiary plans.

Project Communications Management

Project communications management includes the processes that are required to ensure timely and appropriate planning, collection, creation, distribution, storage, retrieval, management, control, monitoring and the ultimate distribution of project information (PMI, 2013).

Communication is a vital part of project management and all the necessary resources that can facilitate the process should always be considered (Reid, 2014). Communication with the project team and stakeholders was critical to the successful gathering of data for research and analysis applicable to the final deliverable.

Performance for this knowledge area was measured by the completeness of the Communications Management Plan included in the Project Management Plan, choice of communications means, following accepted writing styles for deliverables, meeting management, presentation techniques and the ability of the project manager to listen to stakeholders, process feedback and address individual stakeholder needs and requirements.

Mastery of Communications management was demonstrated through the successful creation and execution of the project communication plan. Consistent and effective regular communication engagement with various stakeholders including advisory committee members, subject matter experts and research subjects filling the occupancy segment of the rental market were all critical

to the success and quality of the project and final deliverable. All stakeholders we provided relevant timely updates and any requests for information were immediately addressed. Delivery methods included face-to-face meetings, telephonic interviews, electronic mail, and professionally developed hard copy deliverables.

Research

Methods and Approach to Analysis

The research outlined below and in appendices B-H of this document was used to determine the most desirable characteristics of a potential multi-family investment property in the Matanuska Valley. Thoroughly studying potential investment property characteristics based upon price, location, size, age, type of construction and property condition along with subject matter expert and potential tenant opinions will drastically reduce financial risk to investors when acquiring rental income properties. In order to gather the necessary data to determine the assessment criteria and content of the Rental Property Acquisition Guide, the project manager conducted interviews with subject matter experts during the summer of 2014. In addition, the project manager distributed and collected paper surveys with existing and potential tenants to determine end user stakeholder needs identification.

The project manager has completed a review of literature to analyze any existing information available on rental property acquisition at the macro level as well as in particular to the Palmer/Wasilla geographical areas within the Matanuska Valley. The data collected from the interviews, surveys and literature review was used as a tool to help identify prospective rental income properties with the greatest potential for maximum, sustainable net income based on operations and maintenance costs, marginal revenue, turnover rate and vacancy rates. The underlying objectives were used to best meet the expectations of the potential occupant segment of stakeholders. The information gathered and analyzed from subject matter expert interviews, tenant surveys, academic journals and accredited publications from the University of Alaska Consortium Library, was incorporated into the final deliverable: Rental Property Acquisition Guide.

Literature Review

One of the most time consuming activities associated with the project was conducting a thorough review of literature to analyze existing information available on rental property acquisition at the macro level as well as in particular to the Palmer/Wasilla geographical areas within the Matanuska Valley. Various sources including academic journals and accredited publications through the University of Alaska Consortium Library, were reviewed, analyzed and compiled to set the framework for the Rental Property Acquisition Guide. Almost immediately upon commencing research the project manager realized that there was an abundance of broad based

publications dealing with the subject of rental income properties at the macro level with topics ranging from using rental properties as a diversification tool for one's portfolio to the tax benefits associated with such a venture.

However, there appeared to be virtually no substantial information readily available in publication with reference to acquiring rental properties within the State of Alaska, specifically the greater Palmer/Wasilla area of the Matanuska Valley where the primary project deliverable was to be focused. Given that methodologies for real-estate acquisition practices and laws are generally similar throughout the United States, the project manager decided to use data from the literature review to build the main components of the Rental Property Acquisition Guide's shell. Detailed location specific information was then included in the guide based on research conducted interviewing subject matter experts in various real-estate disciplines well as the incorporation of existing and potential tenant survey results.

Surveys and Interviews

The survey portion of the research for the project was intended to target the occupant segment of stakeholders to help determine their desired expectations when considering the rental of a property in a quantitative manner. The survey was designed and distributed through the University of Alaska's Qualtrix survey tool. Targeted respondents had a 14 day window in which to complete the 12 question basic survey. Unfortunately when the time period for survey responses concluded, not a single response was recorded online. At that point the project manager hand delivered 20 paper surveys of which 17 were completed resulting in an 85% response rate. Tenant survey responses from questions were analyzed quantitatively to determine common patterns indicating desirable characteristics of rental properties from the renter's standpoint. Detailed results and conclusions are outlined in Appendix C

The interview portion of the research for this project was intended to target subject matter experts in the real-estate field to gain knowledge on the characteristics they felt were important in a potential rental income property. Telephone interviews were conducted in the following categories: real-estate agent/property management, financial institutions, insurance companies, borough tax assessment, and building inspections.

Findings, Results and Analysis

The project manager started the quantitative research process with the thought mind to simply confirm pre-conceived notions of what the perfect rental property would look like. However, much to the project manager's chagrin, the results of the survey were somewhat different than what was initially anticipated. This realization served as prodigious learning point in that no information should ever be assumed without first performing some quantitative analysis for

confirmation. Detailed results and conclusions from the tenant survey research can be found in Appendix C.

The qualitative research process for the project was accomplished through the interview process described above. Raw data responses from the questions in each category can be found in Appendices D-H with analysis and conclusions outlined below.

Real-Estate Agent/Property Manager Interview Analysis

This segment of research included interviewing two local real-estate professionals from two different organizations serving in the capacity as real-estate agents and property managers. Real-estate agents and property managers tend to have widely differing opinions on what the perfect rental property would look like. It appears that they tend to have biases depending upon what is available at any given time and skew their opinions of what is desirable towards what is currently on the market. All biases aside, the researcher discovered two very important take-aways from this segment of the subject matter expert interviews. The first was the realization that the preeminent type of lease vehicle for tenants in this market segment is an annual lease which protects both parties by setting a fixed annual rental rate and minimizes risk for the lessor. The second take-away is the importance of tenant satisfaction. Properties with the highest tenant satisfaction tend to have the lowest turnover and highest occupancy rates.

Financial Institution Interview Analysis

This segment of research included interviewing two representatives from the loan department of several prominent lending institutions. Following the financial crisis of 2008 financial institutions are increasingly scrutinizing residential loans applications making the approval process more challenging than ever before. This is especially true for small income producing property investments. Due to increased risk considerations on the part of the lender a potential investor can expect to meet a minimum down payment requirement of 25% of the sales price in addition to closing costs and other associated fees. Additionally most financial institutions will require proof of liquidity of at least two months of estimated mortgage payments in savings reserves.

There are three main types of loans associated financing an investment property so long as the size and configuration remains at four units and below. The first is a fixed rate loan which can vary from 15-30 years in length. The second is an adjustable rate and the third a balloon payment type with a short duration and large payment required at maturity. Properties with five or more units are no longer considered residential and must be financed under commercial loan terms which typically carry higher down payments, additional fees and higher interest rates.

In line with the underlying intent of the scope of this project to minimize financial risk to the potential investor, the prudent loan vehicle for this type of transaction would be a fixed rate option with either a 15 or 30 year maturity date. This notion assumes that the investor is acquiring the rental property for long term income purposes rather than simply “flipping” the property for a short term gain. Determining whether to use the 15 or 30 year maturity timeframe will depend upon the financial circumstances and objectives of each individual investor. A 15 year loan typically has lower interest rates and costs the investor significantly less in total over the life of the loan because of lower total interest payments to maturity. The downside of the 15 year loan is that it will have a much higher payment when compared to a 30 year loan. 30 year loans typically have a lower payment, but cost significantly more in terms of total interest paid over the life of the loan.

Insurance Company Representative Interview Analysis

This segment of research included interviewing one insurance agent from a major insurance company. Based on the subject matter expert’s interview responses it appears that the cost of an insurance premium for a rental income property depends primarily on two factors. First, the proximity of the property with respect to emergency services such as fire departments and hydrants; and two, the replacement value of the property in the event of total loss. Other factors such as floor plan layouts and basic amenities don’t appear to have a major impact on the costs associated with a policy.

Matanuska Borough Tax Assessor Interview Analysis

This segment of research included interviewing one individual from the Matanuska Borough tax assessor’s office. Short of the actual mortgage payment, property taxes can be one of the most significant operating costs associated with owning a real property. Although fully expensable at the federal tax level property taxes should still be considered in the overall operating expenses of a rental income property when conducting a cost benefit analysis. In the Matanuska Susitna Borough the lowest tax rates are found in the most heavily populated areas where existing infrastructure is already in place. These areas include the boundary limits contained within the cities of Palmer and Wasilla. Ideally for tax purposes and the consideration of other subject matter expert interviews and tenant survey results, finding an available property within the Palmer or Wasilla city limits would be most advantageous in terms of providing the lowest operating costs while delivering the best match for the expectations of the potential occupant segment of stakeholders.

Building Inspector Interview Analysis

This segment of research included interviewing one representative from a local home inspection company. A building inspection is an all-encompassing examination of the condition of a

property that should be completed at the time of the sale of the property. The inspection is an inexpensive way to discover the universal condition of a structure and help reduce risk to the investor by avoiding the purchase of a property in need of major repairs. A certified building inspector is a professional who will conduct an inspection of the general condition of the home and will assist a buyer in understanding exactly what they are about to acquire. Even though the property may look move in ready, the inspector will cover features of the property including electrical wiring, plumbing, insulation, roofing, drywall and other structural features of the home and may unveil issues that are not noticeable to the untrained investor's eye. Having a certified building inspector conduct an in depth inspection of the property will give the prospective buyer an idea of potential future operating costs.

Typical inspections last between two and five hours depending on the size and type of the property. It is highly recommended that the investor be present during the inspection of a potential investment property. Once the inspection is complete, the building inspector will provide a report of findings suggesting any improvements or repairs recommended to bring the property up to current standards. Often building inspections reveal problems with a property that could be costly to fix. This could be used as a great tool in purchasing negotiations with the seller and help to ensure the best possible negotiated price with the seller.

Rental Property Acquisition Guide Development

The development process for the guide started during the initiating process of the project. It was known from the onset that the broad scope of the project would ultimately entail the production of a rental property acquisition guide. The challenge however, was how to structure the framework of the guide so it portrayed the logical steps to acquire a rental property in the specific geographic location of interest: the greater Palmer/Wasilla area of the Matanuska Valley.

Research indicted during the review of literature that there was very little information available on rental property acquisition that was directly focused on purchasing rental properties in the Matanuska Valley of South Central Alaska. Albeit, there was a plethora of information readily available at a generic level that was applicable to rental property acquisition nationwide. It was that information that was used to build the framework for the Rental Property Acquisition Guide.

With the framework in place, the next step was to populate the document with key information that was unique to the local area in which the guide was to be focused. Documenting lessons learned from the author during previous property acquisitions would be the starting point. The bulk of the body of the guide however, would come from the analysis of quantitative and qualitative research based upon local market segment subject matter interviews and tenant survey

responses. The complete Rental Property Acquisition Guide can be referenced in its entirety in Appendix A of this document.

Conclusions

The owners of Crystal River Properties are ready to expand their business. In order to do this, the acquisition of additional rental income properties is required. Procurement of new construction properties remains financially impractical due to local real-estate market conditions. What remains are pre-existing construction properties of which many on the market are more than 30 years old. Acquisition of an older property if not done correctly could expose the company to a great deal of financial risk. This project, the creation of a rental income property acquisition guide, was designed to help reduce financial risk associated with acquiring the most common types of available rental properties within the greater Palmer/Wasilla focused areas.

In order for the project to be a success, a great deal of emphasis had to be placed on communications and stakeholder management. The stakeholder and communications management plan were key in keeping the project on track. A substantial amount of time was devoted to research during the execution of the project. Initial research indicated a lack of readily available information directly pertaining to property acquisition in the focused geographic area. Linking up with research subjects and subject matter experts proved to be challenging and time consuming when attempting synchronize schedules for interviews and surveys.

The quality of the content of the final deliverable depended heavily upon the results of qualitative and quantitative research done at the local level to help determine how to select a given property. Research was conducted to establish the most desirable characteristics of a property based on the occupant segment (tenants) as well as subject matter expert viewpoints across five separate real-estate field categories. Analysis and results of the research along with previous lessons learned from prior company property acquisitions were included in the final deliverable.

This project was considered a success on multiple counts. First, it met the requirements set forth in the scope of the project and the final deliverable was delivered to the project sponsor by the established deadline. Second, it will be made available to other small company owners engaging in similar business activities and will hopefully help them to make informed decisions when buying rental income properties. And finally, the project served as the project manager's final step in completing the requirements for the University of Alaska's, Master of Science in Project Management graduate degree curriculum.

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Appendices

Appendix A – Rental Property Acquisition Guide

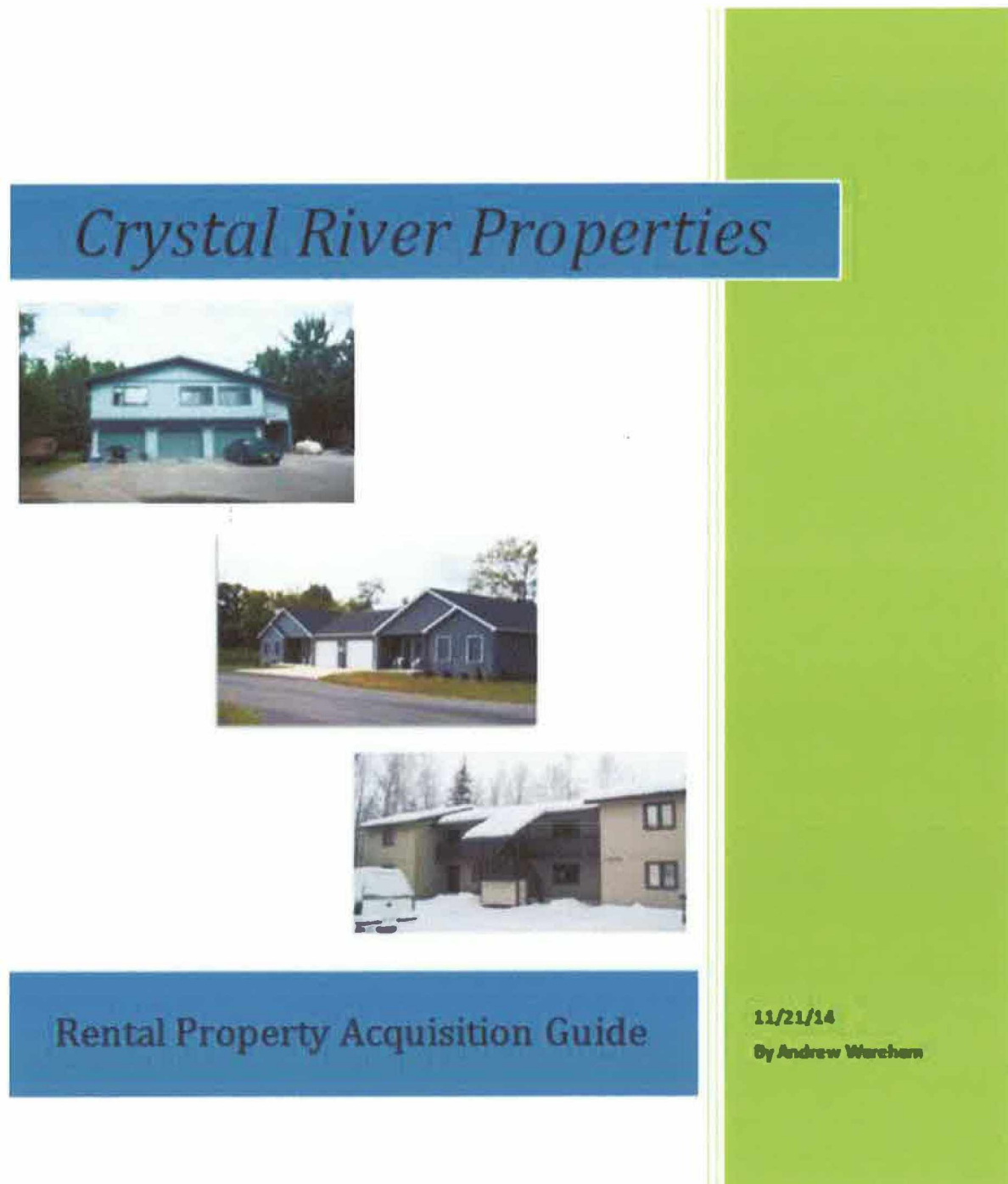


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Introduction

Crystal River Properties is a privately owned small business started in 2011 whose sole revenue stream relies upon rental income from company owned small multifamily (duplex and triplex) real property assets. In order for a business of this type to expand, additional properties must be acquired to increase revenue. Current real-estate market conditions make it financially impractical to buy new construction properties as an income producing investment. What remains on the market at any given time are pre-existing properties, of which the majority are between 25 and 35 years old. To date the company has acquired two properties within the Wasilla city limits. The first property, acquired in 2011, was a duplex built in 1984 and the second, acquired in 2013, a triplex that was built in 1985.

Purchasing real-estate under the best of circumstances undoubtedly entails a certain amount of financial risk and uncertainty. Couple that with the age considerations of available properties and financial risks could suddenly become intolerable. The time to determine whether or not a property is financially feasible is ideally before the purchase. The last thing an investor wants to discover after the closing is some major discrepancy that will cost the company thousands of dollars to repair.

The primary purpose of this guide is to help alleviate some of those unknowns by researching and documenting best practices for acquiring rental income properties within the greater Palmer/Wasilla area of the Matanuska Valley. The intent is to equip small property management businesses the tools to make educated purchase decisions when acquiring small rental income properties while simultaneously minimizing their exposure to financial risk. What follows are the captured lessons learned, results and analysis of research conducted in the greater Palmer/Wasilla of the Matanuska Valley to acquire a small rental income producing investment.

Financing

Following the financial crisis of 2008 financial institutions are increasingly scrutinizing residential loans applications making the approval process more challenging than ever before. This is especially true for small income producing property investments. Due to increased risk considerations on the part of the lender a potential investor can expect to meet a minimum down payment requirement of 25% of the sales price in addition to closing costs and other associated fees. Additionally most financial institutions require proof of liquidity by documenting at least two months of estimated mortgage payments in savings reserves.

There are three main types of loans associated financing an investment property so long as the size and configuration remains at four units and below. The first is a fixed rate loan where repayment terms can vary between 15-30 years in length. The second is an adjustable rate and the third a balloon payment type with a short duration and large payment required at maturity.

In line with the underlying intent of this guide to minimize financial risk to the potential investor, the prudent loan vehicle for this type of transaction would be a fixed rate option with either a 15 or 30 year maturity date. This notion assumes that the investor is acquiring the rental property for long term income purposes rather than simply "flipping" the property for a short term gain. Determining whether to select 15 or 30 year repayment terms will depend upon the financial circumstances and objectives of each individual investor. A 15 year loan typically has lower interest rates and costs the investor significantly less in total over the life of the loan because of lower total interest payments to maturity. The downside of the 15 year loan is that it will have a much higher payment when compared to a 30 year loan. 30 year loans typically have a much lower payment, but cost significantly more in terms of total interest paid over the life of the loan.

Realtor Selection

Selecting the right real-estate agent is vital to the successful procurement of an investment property. It is important when deciding on a real-estate agent for the investor to find someone with a compatible personality so mutual feelings of trust can be established. Realtors can be pushy like used car salesmen. Choose your realtor wisely, there is nothing worse than working with an individual that you don't trust or can't along with. Experience with the local real-estate market and rental properties is a must have credential when selecting a realtor. There are subtle differences associated with purchasing a multifamily rental property compared with single family residences and a realtor with experience in this area will make sure he or she cover all of the "base's during the transaction.

Real-estate agents and property managers seem to have widely differing opinions on what the perfect rental property would look like. Experience research and lessons learned leads me to believe that most realtors tend have biases depending upon what is available at any given time and skew their opinions of what is desirable towards what is currently on the market. Make sure to be exercise caution if a realtor tries to steer you toward a particular property that you may not have shown interest in. There may be a number of reasons why they might do this, but chances are they aren't intended to benefit you. Remember you as the buyer are in the driver's seat and are ultimately responsible for making the final decision whether to close the deal or to walk away.

Location

Taxes

Short of the actual mortgage payment, property taxes are typically one of the most significant operating costs associated with owning real property. Although fully expensable at

the federal tax level property taxes should still be considered in the overall operating expenses of a rental income property when conducting a cost benefit analysis. According to the Matanuska Susitna Borough tax assessment department, the lowest tax rates are located in the most heavily populated areas where existing infrastructure is already in place. These areas include the boundary limits contained within the cities of Palmer and Wasilla. Both Palmer and Wasilla levy a small sales tax, but do not require collection for income received through residential rentals.

Ideally for tax purposes and the consideration of other subject matter expert interviews and tenant survey results, finding an available property within the Palmer or Wasilla city limits would be most advantageous in terms of providing the lowest operating costs while delivering the best match for the expectations of the potential occupant segment of stakeholders.

Insurance

Based upon research conducted through interviews with various insurance agents it appears that the cost of an insurance premium for a rental income property depends primarily on two factors. First, the proximity of the property with respect to emergency services such as fire departments and hydrants; and two, the replacement value of the property in the event of total loss. Other factors such as floor plan layouts and basic amenities don't appear to have a major impact on the costs associated with a policy.

That being said, it makes sense to cater toward what is desirable for the occupancy segment of the market (the tenants). In other words if having an attached heated garage is a desirable property characteristic among possible renters then it is preferable to find a property with that amenity available. In this case chances are the opportunity costs will be lower even though the insurance premium will be slightly higher for an attached garage because the desirable characteristic will result in a higher occupancy rate. It is highly recommended that

regardless of the property you are considering that you get a rate premium quote before committing to the purchase of a property. This service is provided at no charge by all major insurance companies and will give the investor a fairly accurate indicator of the insurance portion of operating costs when conducting a cost benefit analysis of the potential transaction.

Safety

The safety and security of the area in which a property is located is a very important attribute of an investment property. Low crime areas are preferable where police, fire and emergency services are all in close proximity. Look for properties with "neighborhood watch signs" that are well lit and not off by themselves. Of course that is easy to say, but a little more difficult to actually do. One of the most expeditious ways to determine the safety and crime statistics in a particular neighborhood or local geographic area is by directly contacting the local law enforcement agency. I have found that the cities of Wasilla and Palmer as well as the Alaska State Troopers are more than willing to discuss police activity and crime statistics in the area where potential properties are located. You can even do a Google search on the property to see if there has been any news worthy information publicized on a property.

Property Selection

The actual selection of property can either make or break a small property management business. By far the two most important factors concerning the profitability of a rental income property enterprise are high occupancy rates and the lowest possible operating costs. What this means is you must find a property that is in such condition as to not require expensive repairs and has a long history of acceptable occupancy rates. The information discussed in the five topic areas below: type, features and amenities, age, condition and inspection were derived from

research and analysis conducted via tenant surveys and subject matter interviews for the specific geographic area encompassing the greater Palmer/Wasilla of the Matanuska Valley.

Type

When referring to the type of property the description can be interpreted in a multitude of ways. However, for the purposes of this discussion we will focus on foundation construction and floor plan layout when defining the type of property. The most common types of foundations used in small stick built residential construction, listed in the order of most to least expensive, are the concrete slab, the cinder block crawl space and treated wood crawl space. Throughout the Matanuska Valley, the preponderance of pre-existing structures consisted mostly of cinder block or treated wood crawl space foundations. Research indicates that either foundation type is acceptable provided an adequate inspection has been performed to determine the soundness and condition.

Floor plan is the other topic to be addressed with property type. Tenant surveys indicated that of the three types of small multi-family properties (duplex, triplex, or fourplex) that the duplex was the most desirable. This was contrary to my prior belief that the fourplex was the most desirable.

Features & Amenities

The features and amenities associated with a potential income property are very important considerations for an investor when striving to minimize future vacancy rates. It should be obvious that an investor should look for a property that matches, or at least can get as close to matching as possible, the most popular characteristics of a rental based on tenant preferences within the local occupancy market segment. Surveys were conducted during the summer of 2014 asking opinions of tenants and potential tenants in the Matanuska Valley what

they considered the most desirable characteristics in a rental unit. Consolidated results are listed below.

- The most popular building configuration (duplex, triplex, fourplex,) among existing and potential tenants is the duplex style.
- When polled for the numbers of bedrooms required analysis of the data revealed that two and three bedroom configurations are the most desirable.
- 88% of respondents expressed a desire to have a heated garage in their rental unit.
- 94% of respondents felt it was important to have laundry facilities located within each rental unit.
- 69% of respondents prefer to live within 5 miles of city center and another 25% within city limits. It appears that existing and potential tenants desire to live closer in rather than out in more rural settings.
- The preferred method of paying utilities is to pay them separately from the rent, which means the presence of separate utility metering systems should be considered when considering a property.
- Age does not seem to be factor for renters, provided the property is in good overall condition.
- The majority of existing and potential tenants in this market segment are willing to pay between \$800-1000 per month for a rental unit.

Other features to consider include the type of heating fuel source and water/sewer system associated with a potential property. Natural gas versus heating oil as a heat source is preferred because of the substantially lower unit costs. When considering water and sewer either city provided or onsite well and septic there can be arguments made for each side. City and water and sewer availability is very limited within the Matanuska Valley with the preponderance of properties operating with onsite wells and septic systems.

Age

The age of a structure is definitely something to consider when contemplating the purchase of an investment property. Given that current market conditions make it financially infeasible to purchase new construction means that the focus must shift to pre-existing structures. The majority of potential investment properties listed for sale in the Matanuska Valley are

between the ages of 25 and 35 years old. In most cases, the older the structure, the more likely it will be to require some sort of costly substantial maintenance to one of its components. However, the age of a structure in and of itself is not necessarily an indication of its condition. Specific reasons for this are addressed in detail in the next section. That being said, the potential investor can use this to his or her advantage, by conducting a thorough inspection of the property and using the results (any discrepancies requiring attention) as a negotiating tool with the seller.

Condition

When discussing the condition of the property, I am referring to the exact physical condition of the building structure. On the exterior of the structure this includes entry and garage doors, windows, siding, paint, roofing and overall yard appearance. On the interior of the structure this includes walls, doors, flooring, electrical fixtures, plumbing fixtures, appliances, plumbing and heating systems etc. The age of a property is not necessarily an indicator of the condition of the property. By that I mean that an older property may have had substantial upgrades and renovations making it in better overall condition than a property half its age that has been neglected over time. Obviously the better a property's condition presents, the higher the asking price will be, but also the more attractive it will be for potential renters. Individual investor's circumstances will ultimately determine what is an acceptable condition based on price and the amount of funding available to repair discrepancies. You don't have to be a building expert to determine the overall condition of a potential property as long as you are willing to do a thorough building inspection as outlined in the inspection section below.

Inspection

A building inspection is an all-encompassing examination of the condition of a property that should be completed at the time of the sale of the property. The inspection is an inexpensive

way to discover the universal condition of a structure and help reduce risk to the investor by avoiding the purchase of a property in need of major repairs. A certified building inspector is a professional who will conduct an inspection of the general condition of the home and will assist a buyer in understanding exactly what they are about to acquire.

Even though the property may look move in ready, the inspector will cover features of the property including electrical wiring, plumbing, insulation, roofing, drywall and other structural features of the home and may unveil issues that are not noticeable to the untrained investor's eye. Having a certified building inspector conduct an in depth inspection of the prospective property will give the prospective buyer an idea of potential future operating costs. Typical inspections last between 2-5 hours depending on the size and type of the property. It is highly recommended that the investor be present during the inspection of a potential investment property.

Once the inspection is complete, the building inspector will provide a report of findings suggesting any improvements or repairs recommended to bring the property up to current standards. Often building inspections reveal problems with a property that could be costly to fix. This could be used as a great tool in purchasing negotiations with the seller and help to ensure the best possible negotiated price with the seller.

Tenant Preferences

Tenants are among the most influential stakeholders in the rental property world and can impart the greatest impact on the success of the business. Tenant satisfaction is directly tied to the occupancy rates of a property. Properties with the highest tenant satisfaction typically have the lowest turnover and highest occupancy rates. Research in the Matanuska Valley indicates that there are a significant number of renters that are not satisfied with either the condition of the

property or the amenities provided for what they are paying for. Paying particular attention to the previous section discussing the desired attributes and features of a property will help to ensure tenant satisfaction and maintain acceptable occupancy rates. It is also extremely important to make sure that that property condition is kept in a livable fashion. According to research analysis of tenants surveyed, there is a surprisingly large number of landlords that do not tend to tenant satisfaction inquires in a timely manner.

Conclusion

It is hoped that the information in this guide has been helpful in providing some tips and recommendations for lowering financial risk when acquiring rental income properties within the greater Palmer/Wasilla area of the Matanuska Valley. As with any research oriented publication, the accuracy of the information provided in this document is somewhat time limited and will change based upon future economic financial market conditions. This guide is available for public dissemination via electronic PDF and hardcopy format.

Appendix B – Tenant Survey

Q1 Introduction: You have been selected, and are being asked to provide input, as a Subject Matter Expert for the Capstone Project conducting research on small real-estate rental properties in the Matanuska Valley conducted by Andrew Wareham to satisfy requirements for courses at University of Alaska, Anchorage. Research is being conducted to gather ideas, validate utility, and support development of the following deliverable: Development and publication of a step-by-step guide describing best practices in acquiring rental income properties within the Matanuska Susitna Borough which will be based upon price (anticipated return on investment), location, size, age, type of construction, property condition (recent renovations), insurance and tax rates, lessons learned from past property procurements and risk analysis considerations.

Description: Your contribution to this research will consist of completing a brief online survey to gather preliminary information regarding what you feel are desirable characteristics of a rental property from a tenant's point of view. The survey should take no longer than 10 minutes of your time.

Consent for Participation:

VOLUNTARY NATURE OF PARTICIPATION - Your participation in this study is voluntary. If you don't wish to participate, or would like to end your participation in this study, you may quit at any time.

CONFIDENTIALITY- Your name will not be attached to your interview responses. Your name and any other identifiers will be kept in a locked file that is only accessible to me. Any information from this study that is published will not identify you by name.

BENEFITS- There is no direct benefit to you from participating in this study and there are no known risks. Your selection of "I do Consent" represents your electronic signature and indicates that you are at least 18 years of age, have read the information on this form, have been given the opportunity to ask questions and they have been answered to your satisfaction, have decided to participate based on the information provided on this form.

Your signature on this consent form indicates that you fully understand the above study, what is being asked of you in this study, and that you are signing this voluntarily. Please ask any questions you may have now or during the survey. The researcher is Andrew Wareham. You may contact Andrew Wareham at warehamaj@msn.com or by phone at 907-982-2740. If you have any questions about your rights as a participant in this research, contact Dr. Dianne Toebe, Integrity and Compliance Officer, at UAA Office of Research and Graduate Studies at 907-786-1099.

- ☐ I do consent (1)
- ☐ I do NOT consent (2)

Q2 As a renter, what type of building configuration do you most prefer?

- ☐ 2 Unit Duplex (1)
- ☐ 3 Unit Triplex (2)
- ☐ 4 Unit Four Plex (3)
- ☐ Apartment building style with 5 or more units (4)

Q3 How many bedrooms do you need?

- ☐ One (1)
- ☐ Two (2)
- ☐ Three (3)
- ☐ More than three (4)

Q4 How important is it to have a heated garage with your rental?

- ☐ Not important (1)
- ☐ Important (2)
- ☐ Very important (3)

Q5 If a heated garage is not available, would a covered unheated carport suffice?

- ☐ Yes (1)
- ☐ No (2)
- ☐ Maybe (3)
- ☐ N/A (4)

Q6 How important is it to have laundry facilities in the rental unit?

- ☐ Not important (1)
- ☐ Important (2)
- ☐ Very important (3)

Q7 If laundry facilities are not available in the individual rental units, would a central shared laundry facility suffice? (for triplex and larger buildings)

- ☐ Yes (1)
- ☐ No (2)

Q8 As a renter, what is the preferred location of the property you desire to rent?

- ☐ Within city limits, close proximity to all services (1)
- ☐ Within 5 miles of city center (2)
- ☐ 5 miles or more away from city center (3)

Q9 Do you prefer to have your utilities included in your rent or pay for them separately (water, heat, electricity trash etc.)?

- ☐ Included in rent (1)
- ☐ paid separately (2)

Q10 What is the maximum amount of rent you are willing to pay per month

- ☐ Less than \$600 (1)
- ☐ \$600-\$800 (2)
- ☐ \$800-\$1000 (3)
- ☐ More than \$1000 (4)

Q11 Does the age of a building matter to you if the rental unit is in good condition?

- ☐ Yes (1)
- ☐ Does not Matter (2)
- ☐ No (3)

Q12 Please list any other characteristics of a rental property that are important you?

Thank you for taking the time to complete this survey. Your information will be very valuable in my research.

Appendix C – Tenant Survey Results, Analysis and Conclusions

- Twenty paper surveys were distributed and seventeen were completed resulting in an 85% response rate.
- Tenant survey responses from questions have been analyzed below to determine common patterns indicating desirable characteristics of rental properties from the renter's standpoint.

1. Introduction You have been selected, and are being asked to provide input, as a Subject Matter Expert for the Capstone Project conducting research on small real-estate rental properties in the Mata...

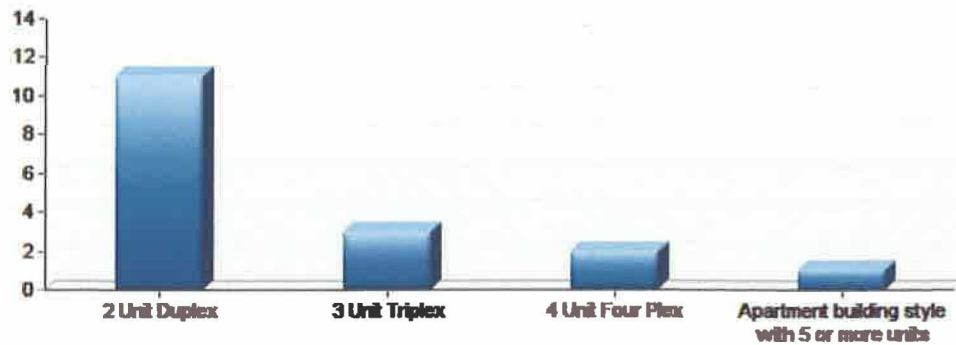


#	Answer	Response	%
1	I do consent	17	100%
2	I do NOT consent	0	0%
Total		17	100%

Conclusions

All research subjects who participated in completing the tenant survey acknowledged consent of the approved research terms and conditions set forth by the requirements from the University of Alaska, Institutional Review Board (IRB).

2. As a renter, what type of building configuration do you most prefer?



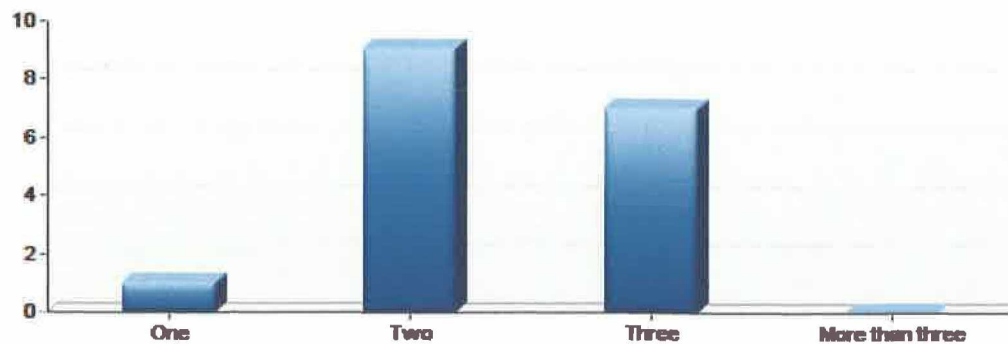
#	Answer	Response	%
1	2 Unit Duplex	11	65%
2	3 Unit Triplex	3	18%
3	4 Unit Four Plex	2	12%
4	Apartment building style with 5 or more units	1	6%
Total		17	100%

Statistic	Value
Min Value	1
Max Value	4
Mean	1.59
Variance	0.88
Standard Deviation	0.94
Total Responses	17

Conclusions

Analysis of the data for this response clearly indicates that the most popular building configuration among existing and potential tenants is the duplex style.

3. How many bedrooms do you need?



#	Answer	Response	%
1	One	1	6%
2	Two	9	53%
3	Three	7	41%
4	More than three	0	0%
Total		17	100%

Table Options	
Statistic	Value
Min Value	1
Max Value	3
Mean	2.35
Variance	0.37
Standard Deviation	0.61
Total Responses	17

Conclusions

Analysis of the data for this response indicates the two and three bedroom configurations are the most desirable for existing and potential tenants.

4. How important is it to have a heated garage with your rental?

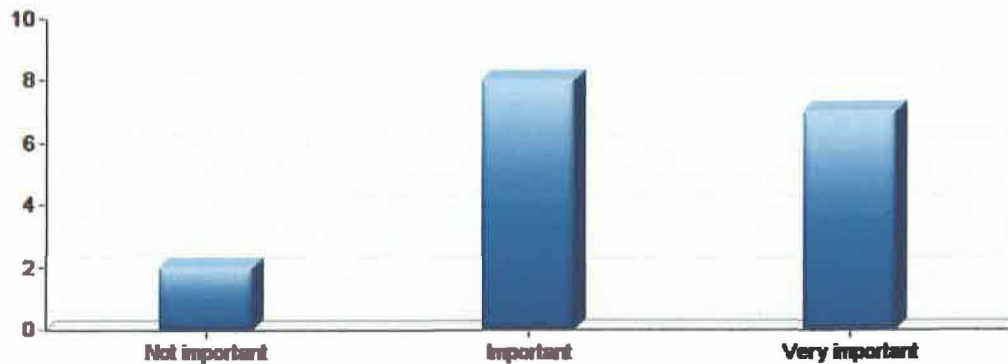


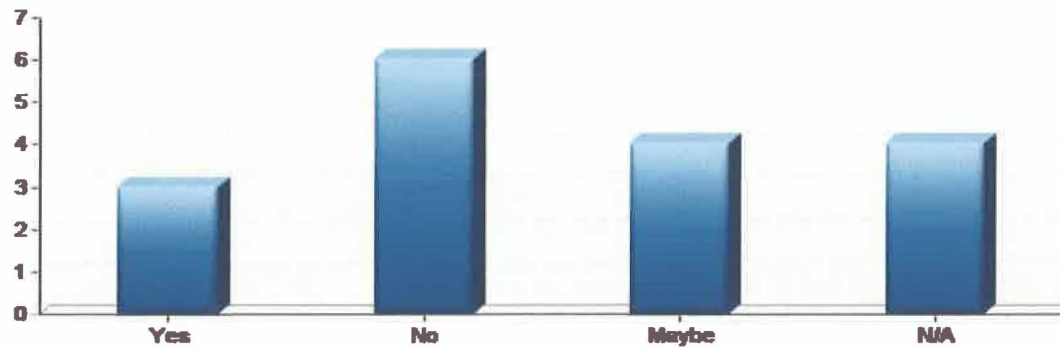
Table Options ✕				
#	Answer		Response	%
1	Not important	<div></div>	2	12%
2	Important	<div></div>	8	47%
3	Very important	<div></div>	7	41%
Total			17	100%

Statistic	Value
Min Value	1
Max Value	3
Mean	2.29
Variance	0.47
Standard Deviation	0.69
Total Responses	17

Conclusions

Analysis of the data for this response indicates that 88% of respondents expressed a desire to have a heated garage in their rental unit.

5. If a heated garage is not available, would a covered unheated carport suffice?



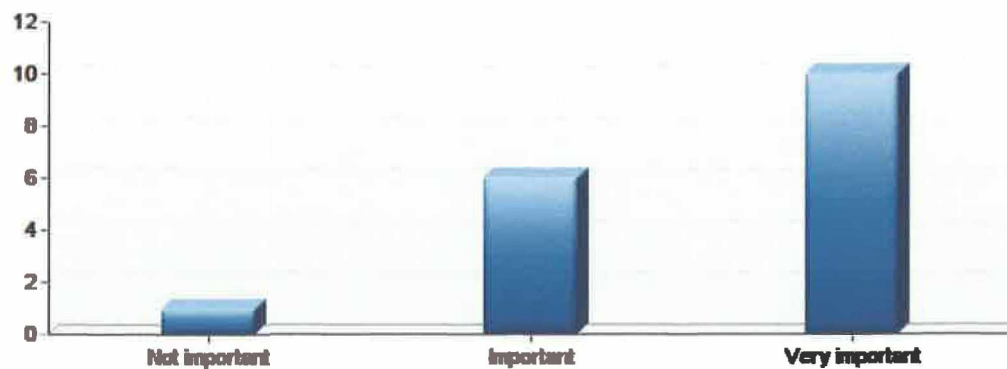
#	Answer		Response	%
1	Yes	<div></div>	3	18%
2	No	<div></div>	6	35%
3	Maybe	<div></div>	4	24%
4	N/A	<div></div>	4	24%
Total			17	100%

Statistic	Value
Min Value	1
Max Value	4
Mean	2.53
Variance	1.14
Standard Deviation	1.07
Total Responses	17

Conclusions

Analysis of the data for this response appears to be somewhat inconclusive due to the equal distribution of answers. Given the total responses to questions #1 and #3, it may be concluded that a carport would more than likely suffice if an actual heated garage was not available.

6. How important is it to have laundry facilities in the rental unit?



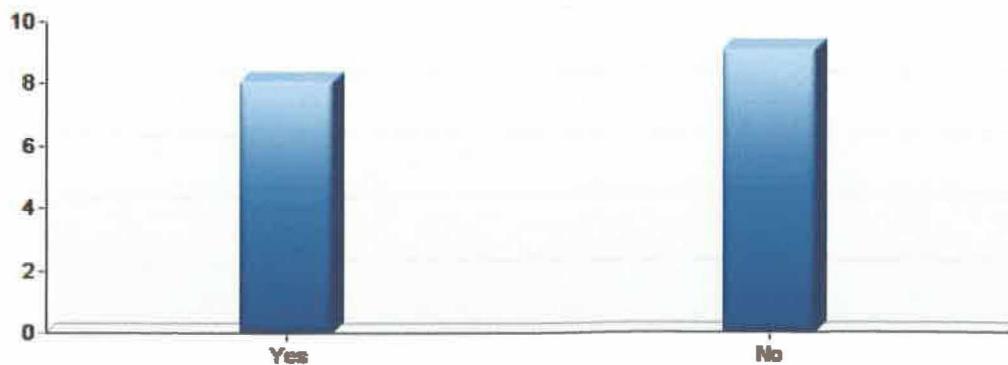
#	Answer	Response	%
1	Not important	1	6%
2	Important	6	35%
3	Very important	10	59%
Total		17	100%

Statistic	Value
Min Value	1
Max Value	3
Mean	2.53
Variance	0.39
Standard Deviation	0.62
Total Responses	17

Conclusions

Analysis of the data for this response indicates that 94% of respondents felt it was important to very important to have laundry facilities located within each rental unit.

7. If laundry facilities are not available in the individual rental units, would a central shared laundry facility suffice?(for triplex and larger buildings)



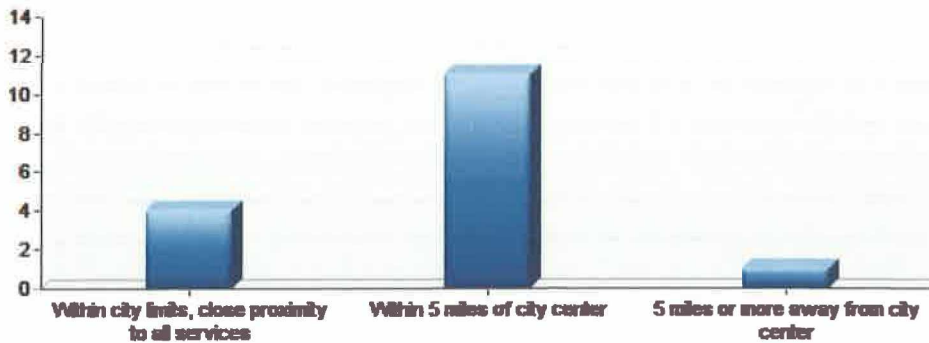
#	Answer		Response	%
1	Yes	<div></div>	8	47%
2	No	<div></div>	9	53%
	Total		17	100%

Statistic	Value
Min Value	1
Max Value	2
Mean	1.53
Variance	0.26
Standard Deviation	0.51
Total Responses	17

Conclusions

Analysis of the data for this response indicates a fairly even distribution between respondents. It is therefore inconclusive as to whether existing and potential tenants would desire a central laundry facility in a rental property.

8. As a renter, what is the preferred location of the property you desire to rent?



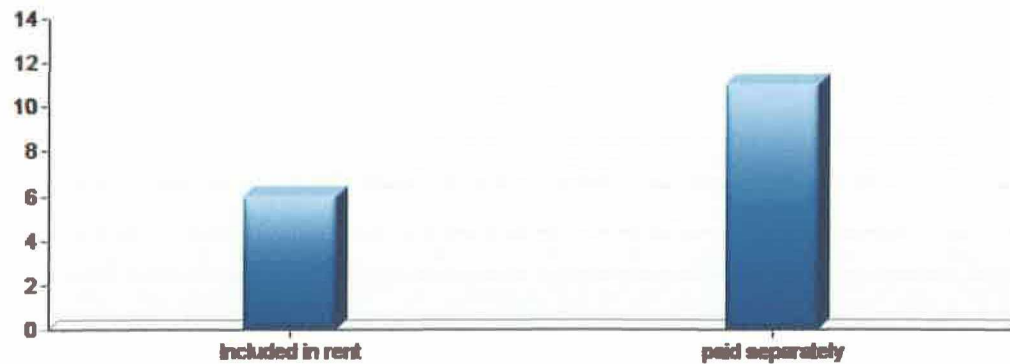
#	Answer	Response	%
1	Within city limits, close proximity to all services	4	25%
2	Within 5 miles of city center	11	69%
3	5 miles or more away from city center	1	6%
Total		16	100%

Statistic	Value
Min Value	1
Max Value	3
Mean	1.81
Variance	0.30
Standard Deviation	0.54
Total Responses	16

Conclusions

Analysis of the data for this response indicates that 69% of respondents prefer to live within 5 miles of city center and another 25% within city limits. It appears that existing and potential tenants desire to live closer in rather than out in more rural settings

9. Do you prefer to have your utilities included in your rent or pay for them separately (water, heat, electricity trash etc)?



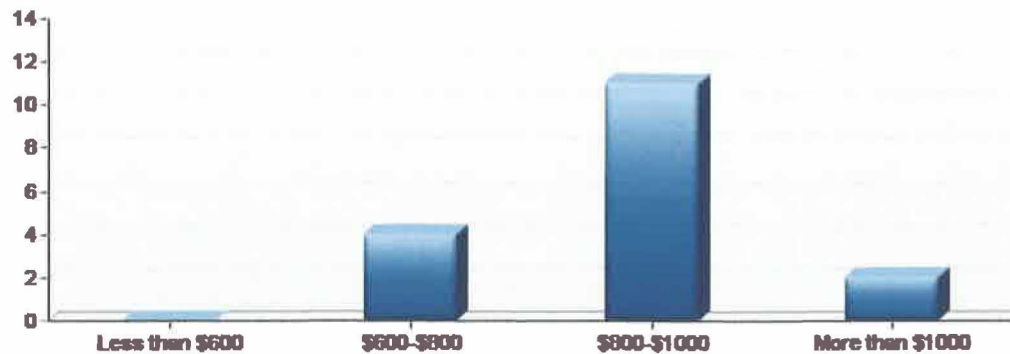
#	Answer	Response	%
1	Included in rent	6	35%
2	paid separately	11	65%
Total		17	100%

Statistic	Value
Min Value	1
Max Value	2
Mean	1.65
Variance	0.24
Standard Deviation	0.49
Total Responses	17

Conclusions

Analysis of the data for this response indicates that the preferred method of paying utilities is to pay them separately from the rent.

10. What is the maximum amount of rent you are willing to pay per month



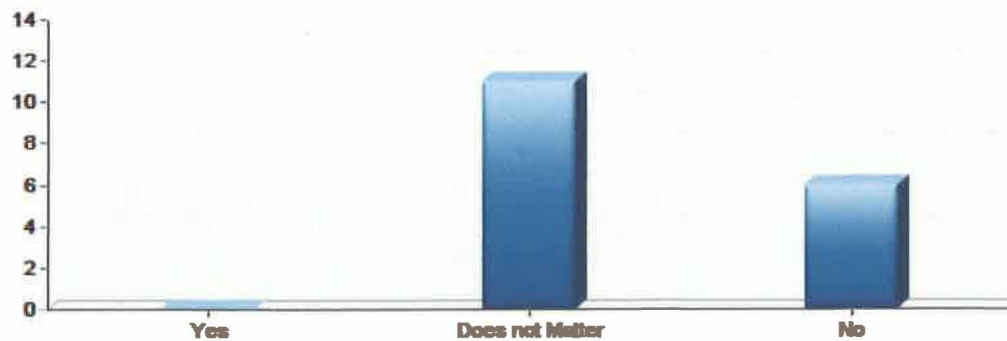
#	Answer		Response	%
1	Less than \$600		0	0%
2	\$600-\$800	<div></div>	4	24%
3	\$800-\$1000	<div></div>	11	65%
4	More than \$1000	<div></div>	2	12%
Total			17	100%

Statistic	Value
Min Value	2
Max Value	4
Mean	2.88
Variance	0.36
Standard Deviation	0.60
Total Responses	17

Conclusions

Analysis of the data for this response indicates that the majority of existing and potential tenants in this market segment are willing to pay between \$800-1000 per month for a rental unit.

11. Does the age of a building matter to you if the rental unit is in good condition?



#	Answer	Response	%
1	Yes	0	0%
2	Does not Matter	11	65%
3	No	6	35%
	Total	17	100%

Statistic	Value
Min Value	2
Max Value	3
Mean	2.35
Variance	0.24
Standard Deviation	0.49
Total Responses	17

Conclusions

Analysis of the data for this response clearly shows that the age of a potential rental income property does not seem to matter to existing and potential tenants in this market segment provided the rental unit is in good condition.

12. Please list any other characteristics of a rental property that are important you?

Text Response

[View](#) Important that the land lord or property manager fixes problems in a timely manner

[View](#) Like a quiet private setting with a good neighbor

[View](#) Like the community feel as long as other tenants are quiet and respect everyone's privacy. Haven't been able to find any one bedroom units except in larger complexes

[View](#) As a renter I am paying for convenience, so I expect snow to be cleared dumpsters to be emptied etc in a timely way

[View](#) rental needs to be close to schools and stores

[View](#) Currently in a two bedroom duplex, looking to find a larger rental with three bedrooms

[View](#) I really enjoy the layout of my upstairs apartment in the triplex. Vaulted ceilings are a plus because they make it seem spacious.

[View](#) Four plex configuration housing seems to have lower rents and that is all I can afford

[View](#) Private and quiet neighbors are a must. I like my privacy. Prefer a location that is quiet yet convenient to all downtown services.

[View](#) Clean, modern updates, close to schools, safe area

[View](#) Close to shopping, schools and transportation corridors

[View](#) Big garage to put toys in, easy access to snowmobile trails and 4 wheeler trails

Conclusions

Analysis of the data for this response shows no particular trends, but does provide interesting perspectives from existing and potential tenants in this market segment. This data can be used in determining favorable characteristics of potential rental income properties.

Appendix D – Realtor Interview Questionnaire

Question Set #1 – Real-Estate Agent/Property Manager Representative (Raw Data)

1. *What property style seems to have the best occupancy rates (i.e. duplex, triplex, fourplex, one, two, or three bedrooms)?*

SME#1: “It really depends on the location and condition of the property, but in my experience duplexes appear to have the lowest vacancy rates overall”. SME#2 confirms and adds “that often vacancy rates are tied to the customer satisfaction a tenant receives from their landlord or property manager”.

2. *Is there a certain age limit of a structure to consider when considering the purchase of a rental income property?*

SME#1: “Not necessarily, so long as the property is sound. Definitely ensure you have a property inspection done by a reputable building inspection company”. SME#2: “The older the property, the more likely there is to be something wrong with it or a potential to have multiple code violations. A documented Home inspection is a must unless the property is less than a few years old”.

3. *Does there appear to be certain location/area where the occupancy rate and quality of tenants is best?*

SME#1: “Well, there are definitely some areas in the MATSU Valley that are going to be better than others. I am basing my answer on your definition of “quality” of tenants being how regularly they pay their rent on time. SME#2:”I don’t think the location is much of a factor of the “quality “of tenants so much as whether or not the landlord/property manager does a good Job of screening the tenant in the first place. It is highly recommended to conduct tenant background checks prior to offering a lease to ensure the least risky candidates are selected as tenants. There are many internet based entities that can perform this for a nominal fee”.

4. *What is the average length of time a tenant occupies a rental property in the Matanuska Valley?*

SME#1: “That totally depends on the social demographic of the tenants. For example: an older couple on a fixed income would tend to stay in one place longer than a young couple with growing family who is saving for their first house”. SME#2:”I don’t believe that there really is an ‘average’ time per say. I think it depends on the individual tenant’s, their career status, family situation, economic conditions etc”.

5. *Which is the most common rental occupancy agreement (i.e. month to month, 6 month or one year lease)?*

SME#1: “Typically what we see here in the colder climates is a year lease. The reason behind this is to protect the property owner from having to try to rent a vacant property during the winter months. Vacant properties that fall during the winter months tend to have a much longer vacancy period because people don’t care to move in the winter when it is cold, kids are in school etc”.

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SME#2 Confirms one year lease is preferable and ads: “by definition, tenants that are willing to sign a one year lease tend to be more stable than those who prefer shorter term leases. There are many advantages to using the one year lease for all parties involved. These include less administrative burden for all, a set rental rate for the tenant and lower operating costs for the owner to advertise, renovate, and keep the property occupied.

6. How long does a typical rental unit stay vacant in the Matanuska Valley?

SME#1: “It depends on multiple factors: a vacancy during the summer prime moving months in the right location will stay on the market a lot less time than a vacancy in a less desirable location in the middle of the winter”. SME#2 “My advice is to structure lease cycles during the summer months. Statistically, here in the Valley summer vacancies (between the months of May-September) fill much quicker than vacancies during the winter months. Sometimes by default a winter vacancy will sit so long that it transitions into the summer cycle before filling”.

7. What should I look for in an income property to ensure an adequate occupancy rate?

SME#1: “Far and away the most important factor in keeping occupancy rates low is based on tenant satisfaction. Tenants that are provided what they feel are fair rental rates and timely customer service when needed will be the most likely to stay. You would be surprised at the number of property owners respond slowly or not at all to legitimate tenant complaints”. SME#2: “That’s easy, keep the tenants happy and they will stay. Provide an adequate place for a reasonable price and they will stay”.

8. Can you provide any additional advice for selecting a rental income investment property?

SME#1: “My advice to you would be to talk to the individual tenants that are already in the prospective rental property that you are considering purchasing. Ask them what they like, and what they don’t like about living there. That should tell you how long to expect them to stay if you acquire the property. Take a look at the current leases, year, month to month, etc.” SME#2 “Be wary of any property that has multiple vacancies. Although it can be a blessing not to inherit potential problem tenants, there could be reasons why there are vacancies that are unknown. The idea is to immediately start generating income with a rental property when it closes, not to have the burden of screening potential tenants and filling empty units. Remember that worst case you have the option to not renew an inherited tenant’s lease when it expires if you so choose as the new owner”.

Appendix E – Financial interview Questionnaire

Question Set #2 – Financial Institution Representative (Raw Data)

1. *What is the current market trend for mortgage rates, specifically on rental income investment properties?*

SME#1: “Currently rates for all types of loans remain at historic lows; however it is becoming increasingly harder to get qualified for loans”. SME#2 “At this time (July of 2014) this institution (USAA) is not able to offer any loan vehicle for Investment properties due to an unusually large influx of conventional refinancing applications.” September 2014 update: USAA is accepting investment property loan vehicles as of 9/15/14.

2. *What is the minimum down payment/equity required to purchase an investment property?*

SME#1: “The industry standard is a minimum down payment of 25%. The days of getting into an investment real estate with little or no money down are getting hard to find. However if you have veteran status and are eligible for a VA home loan certificate there are still ways to buy investment properties with a minimum required down payment long as the buyer meets certain owner occupied requirements”. SME#2 “25% is the minimum down payment in addition to any points and closing costs. And just so you know this institution offers additional discounts on points interest rates for larger down payments up to 40%”.

3. *Does the size and number of units in a property affect the interest rates or type of loan vehicle available?*

SME#1: “Definitely, properties up to 4 units can be financed under conventional residential lending terms. Anything five units and above are considered apartment style housing and require commercial financing terms”. SME#2: “Single family through four-plexes can be financed using traditional home residential terms. Structures with more than five units must be financed through commercial lending terms. Commercial loans typically have significantly higher fees and rates associated with them compared to traditional residential financing”.

4. *Does a potential property's age affect the interest rate or type of loan vehicle available?*

SME#1 “Not at all provided the sales price is within appraisal thresholds”. SME#2: “Age has nothing to do with interest rates or loan vehicles. Factors that effect interest rates and loan vehicles are things like the borrower's credit history, title status of the property (foreclosure, clean, etc.)”.

5. *Does a potential property's location affect the interest rate or type of loan vehicle available?*

SME#1: “In a broad sense yes, certain states have varying requirements and limitations on the type of loan vehicles available for varying types of loans” SME#2: “Regionally yes, but locally not really. In other words buying a property in Palmer versus Wasilla or Anchorage should not be any different with respect to interest rates and loan vehicles. Keep in mind however that

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closing cost fees will vary depending on financial institutions, escrow title companies and municipalities”.

6. *What types of financing options are available for purchasing investment properties (i.e. fixed, variable, HUD, Fannie Mae, owner occupied etc.)?*

SME#1: “Conventional loans for investment properties are really the only option anymore. Certain HUD and Fannie Mae programs are still out there, but are only available to owner occupants”. SME#2: There are a lot of programs out there both at the state and federal level, but regardless of which one you choose, except to pay 25% of the sales price as a minimum down payment.

7. *What types of repayment terms are available for investment properties (i.e. 15 year, 30 year) etc?*

SME#1: “You are correct, most financial institutions work on 15 or 30 year terms as well as adjustable rate terms and even some balloon payment terms that are typically 5 years with a balloon payment at the end with an option to refinance”. SME#2: “adjustable, 15 and 30 year fixed are the norm, but some institutions will customize terms to other time frames i.e. 20 years”.

8. *Is mortgage insurance an option for an investment property loan?*

SME#1: “The requirement for down payments on investment properties excludes any option for mortgage insurance. Mortgage insurance is designed to protect the lender in the event of default when the borrower has less than 20% equity in the property”. SME#2: No, mortgage insurance is available for residential properties where the owner has less than 20% equity in the property.”

9. *Can you provide any additional advice for selecting a rental income investment loan vehicle?*

SME#1: “Fixed rate loans are the least risky because the principal and interest will not change over the life of the loan. Variable balloon type loans are tempting because the payments can be somewhat lower, but risk goes up when market conditions can’t be determined in the future when the loan matures.” SME#2: “Fixed rate loans are the way to go, specifically if you can afford the higher payment, use the 15 year fixed loan. This does two things for you: first it pays the loan off in half the time and second saves thousands of dollars in interest fees paid to the lender”.

Appendix F – Insurance Agent Interview Questionnaire

Question Set #3 – Insurance Company Representative (Raw Data)

1. How important is the age of a property with respect to insurance rates?

“It is only an issue when a property is extremely old like 100 years or more and because of your location there are few properties that fall into that category. It should be noted that insurance rates are typically lower or a discount offered for homes that are less than ten years old. The amount will vary depending upon the size and type structure”.

2. What types of construction are most economically viable for insurance purposes?

“If you mean brick and mortar or stick built, crawl space or slab, it really all depends. What I mean by that is that the less it costs to replace a structure the less it will cost for an insurance policy. For example: crawls spaces cost less than concrete slabs, so it would be reasonable to assume that the insurance premium on a structure with the crawl space foundation would cost less than one with a slab. The same idea applies for the type of wall construction found in the structure. Stick built construction, the most common, is less costly to build than brick or concrete so the same premium cost approach from above applies: A stick built premium will be less than a concrete built premium. You get the idea.”

3. Is it okay to have a fireplace or wood stove within the rental units? How does it affect rates?

“It is quite common for rental properties to have fireplaces or wood stoves, especially in states that are located in the more northern latitudes. For the fire place, insurance rates will depend on whether the fuel source is wood or gas. Wood tends to be slightly higher as does a wood stove over a gas fireplace. Keep in mind however that these types of features are not cost prohibitive, but will add slightly to overall cost of the fire coverage policy”.

4. If there is a garage is it better to be attached or detached?

“Although minimal an attached garage will add additional liability to a structure because of fire hazards associated with having a motorized vehicle inside the structure. The presence of a detached garage would require a separate dwelling coverage on the policy and more than likely would end up costing more than an attached garage that was part of the existing structure”.

5. Do the number of units increase insurance rates based on size duplex, triplex, fourplex etc.?

“Not necessarily, insurance rates are determined based on location and replacement cost of the existing structure. In other word a real fancy duplex with marble tiles and solid wood cabinets would most likely be more costly to insure than a much larger four plex with real basic interior amenities”.

6. Would coverage include liability for pets owned by tenants?

“Residential policies to include rental properties do cover liability for pets on the property to an extent. It is highly recommended that if pets are on the premises that the owner of the pets be advised to carry a renters policy that would cover them as the owners of the pets”.

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7. Is it more costly to own a property located within city limits?

“Typically not, at least for insurance purposes anyway. Normally there is more infrastructure inside city limits such as road access, fire response resources and fire hydrants when compared to outside city limits which tends to make rates lower inside the city boundaries”.

8. How close should a fire hydrant or fire station be to a rental property?

“Obviously all properties can’t be located directly beside a fire hydrant or fire station and insurance companies understand this. That being said rates will vary depending upon response times, and whether or not the area is covered by a volunteer or permanently staffed fire station. In most cases as long as the structure can be reached via a public road and within 10 minutes from a station insurance rates will not be adversely affected”.

9. Can you provide any additional advice for selecting a rental income investment property?

“For someone who owns multiple properties, a private residence and substantial personal assets, considering an ‘umbrella’ policy that provides additional coverage in the event that a tenant were to initiate legal action would be highly recommended”.

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Appendix G – MSB Tax Authority Interview Questionnaire

Question Set #4 – Matanuska Borough Tax Assessment Representative (Raw Data)

1. Are residential income properties taxed the same as other commercial properties?

“Within the Matanuska Susitna Borough all real property is taxed based upon the location and current MIL rate. MIL rates are determined based on location and can be higher in outlying areas with little or no infrastructure. The higher MIL rates help to pay for schools, fire departments, roads, etc. Once infrastructure is established in an area, MIL rates typically drop to similar levels of other built up areas”.

2. What kinds of licenses are required to do business in the Matanuska Susitna Borough?

“Anyone who operates a business within the MATSU Borough is required to obtain a MATSU Borough business license in addition to the State of Alaska Business license. The license costs \$50 and is good for two calendar years. Also the cities of Palmer and Wasilla have additional licensing requirements for any entities conducting business within city limits”.

3. How do I determine which parts of the Borough have the lowest “MIL” rates for property taxes?

“You can go to the MATSU Borough’s website to access real property assessments in any area as public record to see the rates or call my office.”

4. Does the Borough keep statistics on the safety of neighborhoods?

“No, but depending on the location you can contact the local Wasilla or Palmer Police, or MATSU area Alaska State Troopers outpost for crime statistics in a certain area”.

5. Does the borough keep records on crime rates and police activity in neighborhoods?

“No, again as I mentioned in the previous question this would be better directed toward the local law enforcement agency in a particular area”.

6. How do I find out what schools are zoned for a particular property or neighborhood?

“School boundaries are delineated on the MATSU Borough School District’s Web page.”

7. Do you know of any special tax rates associated with being inside the city limits of Palmer or Wasilla?

“Probably a question best answered by city officials, but as far as I know city sales tax covers additional revenues required by the city and neither Palmer or Wasilla requires collection of sales tax on residential rental income”

8. Does the age, square footage and number of rental units have anything to do with the tax rate of a property?

“Not really, property tax assessments are based on local real-estate comparables and borough assessed value of land and improvements on a property. Obviously however, a brand new property will generally assess at a higher rate than an older one.”

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9. *Can you provide any additional advice for selecting a rental income investment property?*

“Right now the lowest MIL rates in the borough are located within the city limit boundaries of Wasilla, the lowest, and Palmer, the second lowest. All other areas are growing fast enough that there are additional tax requirements levied on property owners to build infrastructure. So be sure to check tax values and assessments prior to purchasing a rental property and consider these costs in your operating expenses”.

Appendix H – Building Inspector Interview Questionnaire

Question Set #5 – Building Inspection Company Representative (Raw Data)

1. What is the best type of construction for a rental income property?

“It really depends on what the buyer is looking for. The most common type of construction found in the MATSU valley is wooden ‘stick built’ traditional construction with a crawl space foundation. This was a very popular and cost effective way to mass build housing back in the 80’s during the building boom and still remains quite popular today. This type of construction will be the most commonly found on properties for sale and in my opinion be the best value in an investment property”.

2. Is there a certain age limit to consider when considering the purchase of a rental income property?

“Not necessarily, it all depends on the condition of the property and how well previous owners took care of it. As you will see when you look at what is on the market, most of the multifamily homes for sale were built in the 80’s during the building boom which means most are nearly 30 years old at a minimum. So long as the basic structure is sound the age of the property is immaterial”.

3. Would you recommend city water or private well?

“City water is convenient, but the owner will always be at the mercy of the municipality for the cost of the service. For example, over the past 5 years the city of Wasilla has incrementally raised the service cost of water to customers nearly 40% under the premise that rates had remained stable for more than a decade. Private wells can last indefinitely short of eventual need of pump replacement. With continually rising public water rates, it would seem to me that the most cost effective source of water over time would be through a private well”.

4. Would you recommend city sewer or septic system?

“There rarely is a choice; usually a property is either on city sewer or septic period. In the MATSU Valley roughly 90% of residential properties are on private septic systems. The other 10% that are in city sewer are within city limits of Palmer and Wasilla. When a property is on city sewer the owner pays a nominal set monthly fee and never has to worry about the large expense of replacing a septic system at some point in time or annual pumping expenses. Septic systems can cost thousands of dollars to replace when the time comes and any prudent property owner knows that a system must be pumped annually to maintain proper efficiency. So overall in my opinion if I had a choice I would elect to hooked up to city sewer, but unfortunately most places in the MATSU Valley don’t have that luxury”.

5. What is the most reliable heating system? And how long can it be expected to last?

“Natural gas systems are definitely the most reliable. Natural gas came to the Valley in the early 80’s and most properties are equipped with modern natural gas heating systems. However, there are still some outlying areas that do not have natural gas service that must rely on heating oil for

Rental Property Acquisition Guide

an energy source. I would really recommend staying away from a property that is not heated with natural gas. Although there have been many improvements to oil furnaces over the years, they still don't last as long as a gas heating system and heating oil can be as much as twice the cost per BTU as natural gas. Also there are pretty steep fees associated with the installation of natural gas once the gas company actually comes into a neighborhood with gas lines. Most modern natural gas heating systems regardless of whether they are hot water base board, forced air or in floor heating coils can be expected to last 20-25 years before replacement".

6. *What is the best way to determine the overall condition of an existing property that is for sale?*

"Obviously as someone in the business, I would highly recommend a thorough building inspection from a reputable inspection company. The nominal cost of the inspection could save thousands of dollars in the long run on repairs. In addition, inspection results often give the buyer leverage and negotiating power with the seller over price and required repairs to meet code requirements".

7. *Is there any way to determine remaining life expectancy of "big ticket items" on used properties such as roofing, septic system, heating system, etc.?*

"Some life cycle items are very obvious such as the visual condition of a roof. If there is mold, moss and dirt build up, missing tiles or curled up edges, then it is pretty apparent the roof is nearing the end of its useful life. Other items are not so easily recognized. For example, it is quite hard to determine the condition of a septic system without hiring a septic pumping company to look at it under ground with a special camera. Most septic systems if taken care of can last in excess of 30 years. Before buying a property I would highly recommend that an Alaska DEC approved company perform what is called a "well and septic" test which can determine if the system is functioning properly".

8. *Can you think of any "tell-tale signs" that would make you steer away from a potential property immediately such as visible mold, cracked or warped structures, etc.?*

"I think every circumstance is different. I say this because it really depends upon the potential buyer and what they are looking for. If a buyer is looking for a bargain at a low price then they might be more willing to accept certain faults with a property whereas someone who is looking for a 'turnkey' style property wouldn't be willing to accept as many faults. I would definitely steer someone away from any potential properties that had major issues with structural integrity like cracked foundations or something obviously in violation of code. Again, that is why it is so important to have a thorough home inspection performed prior to placing an offer on a property".

9. *Can you provide any additional advice for selecting a rental income investment property?*

"Besides reiterating one final time the importance of a thorough home inspection, I would just say to be very wary of any property that seems like a super bargain price. If a property is priced way below market value, chances are there is reason and more than likely there could potentially be something very costly wrong with it".

Crystal River Properties Rental Property Acquisition Guide



Andrew J Wareham
PM 686B
Fall Semester 2014
2 December 2014

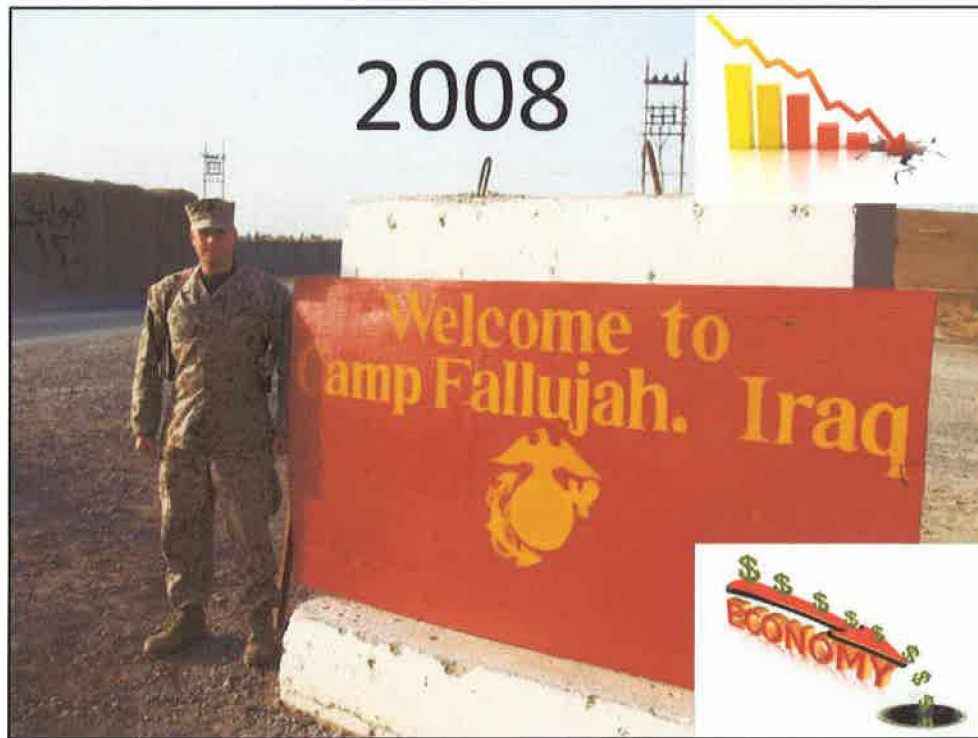
Good afternoon, My name is Andrew Wareham. For the next 30 minutes or so I am going to present to you the project I have executed over the past 6 months for my PM686 capstone project.

Agenda

- Background - Purpose
- Scope
- Research Methodology
- Execution Methodology
- Knowledge Area Mastery
- Key Performance Indicators
- Research Analysis & Conclusions
- Critical Success Factors
- Lessons learned



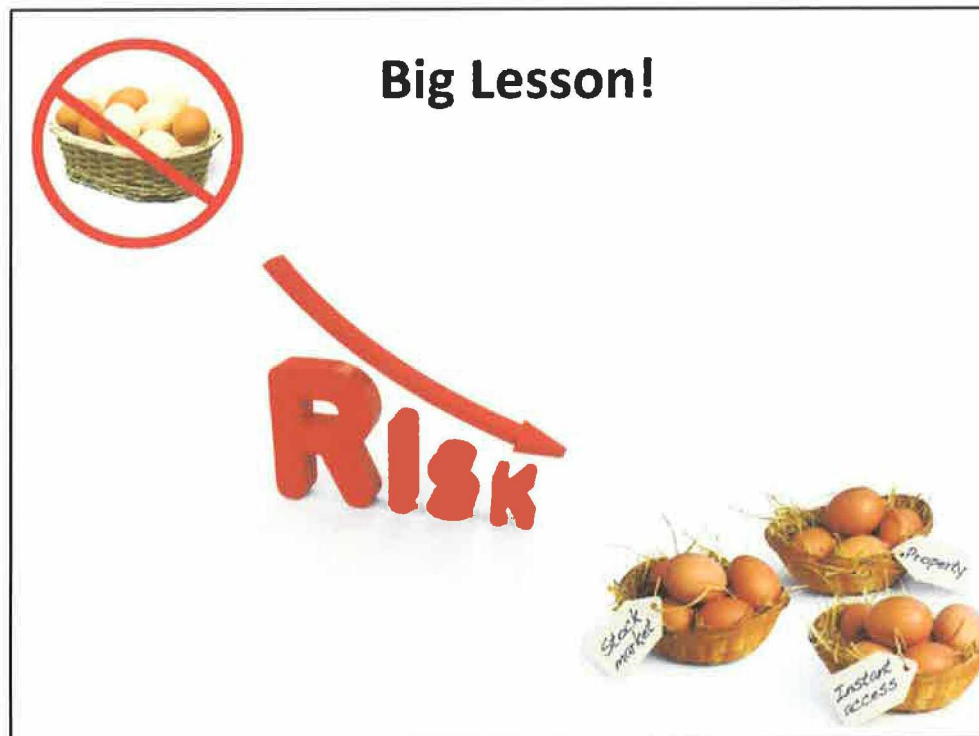
This slide depicts the topics we will cover during this presentation



What I want to do is give you all a little background as to what inspired this project. Think back to 2008. Where were you during the biggest financial crisis since the great depression? Yep, that is me, on active duty with the U.S. Marine Corps deployed to Iraq helpless as the market tanked and tens of thousands of dollars worth of investments vanished into thin air.

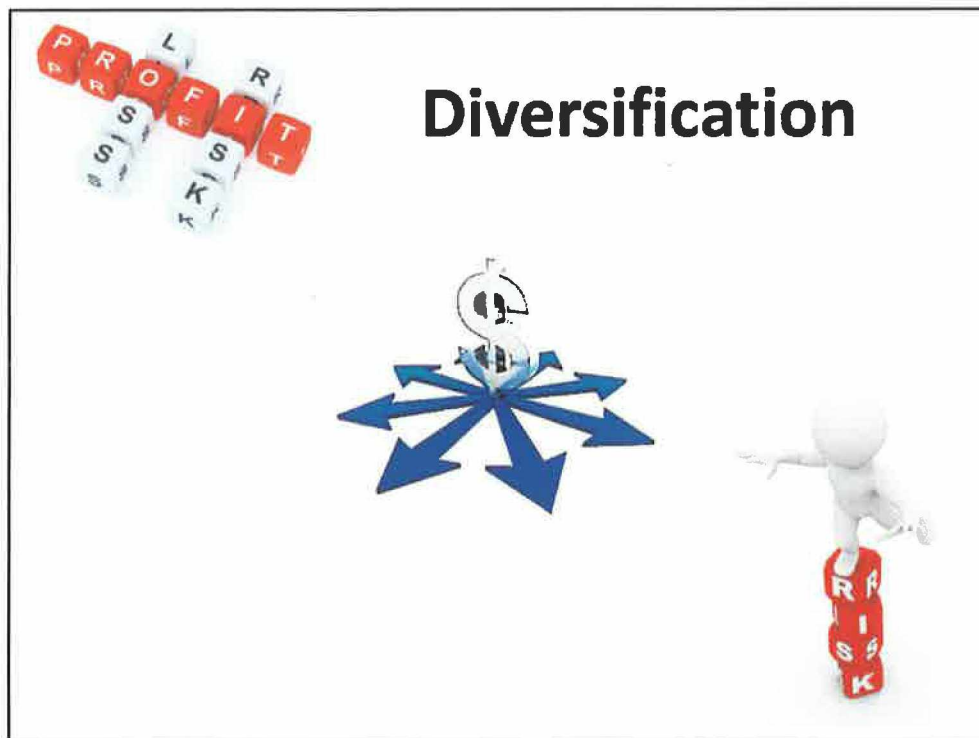


Well, not totally. I still had worthless pieces of paper as stocks shares when the companies went defunct. The issue is that I thought I was diversified because I had some stocks bonds, mutual funds etc., but everything was tied to the stock market in some fashion. I am a "buy and hold kind of guy" who figured if I just hung in here that the stocks would eventually bounce back, kind of like the market eventually did, but in this case these were all individually owned stocks which ultimately went to zero making recovery impossible.



Huge learning point for me (and an expensive one) don't "put all your eggs in one basket"! I realized through the "school of hard knocks" that I needed to come up with some way to diversify my investments in such a way as to lower my risk to a more tolerable level.

Thanks to this mistake, I get to work a few more years before I am at a point financially where I can retire.



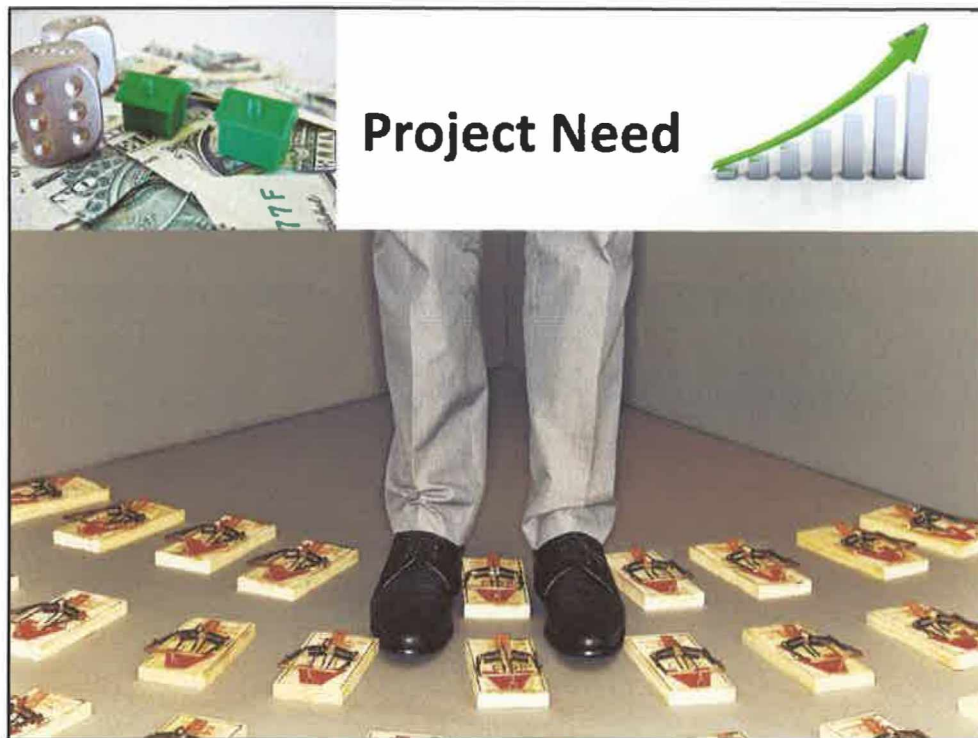
I had to come up with a diversification plan for my long term investment strategies to minimize my personal and business financial risk.

The Answer



I wanted be able to physically touch something real as an investment vehicle yet at the same time minimizing the risk of loss. The answer turned out to be investing in real-estate.

But, the reality is investing in real-estate can be very risky if not done properly.



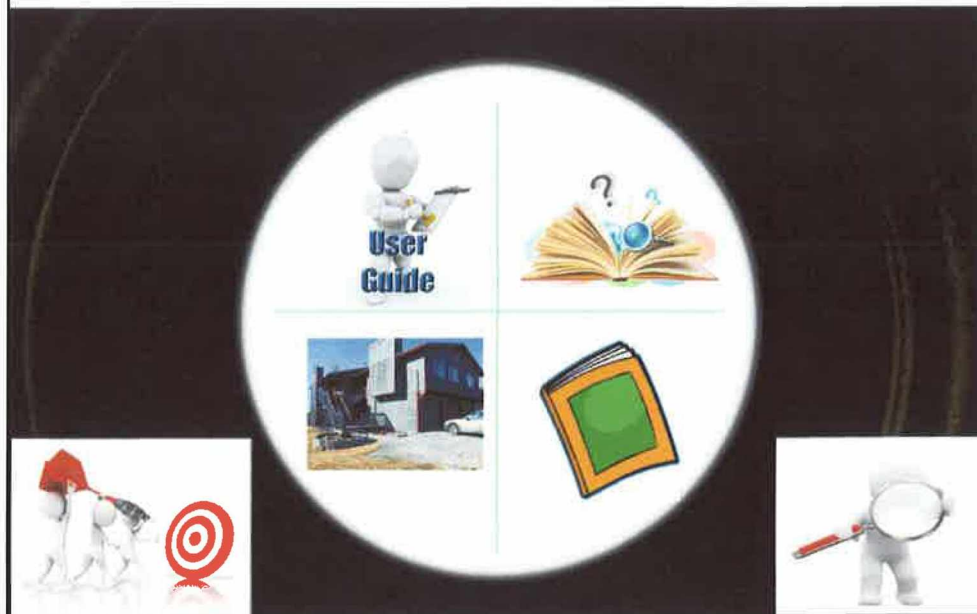
Crystal River Properties is a privately owned small business started in 2011 whose sole revenue stream relies upon rental income from company owned small multifamily (duplex and triplex) real property assets. In order for a business of this type to expand, additional properties must be acquired to increase revenue. The primary purpose of the project is to research and document best practices for acquiring rental income properties that will minimize small property management businesses exposure to financial risk.

Current real-estate market conditions make it financially impractical to buy new construction properties as an income producing investment. What remains on the market at any given time are pre-existing properties, of which the majority are between 25 and 35 years old. To date the company has acquired two properties within the Wasilla city limits. The first property, acquired in 2011, was a duplex built in 1984 and the second, acquired in 2013, a triplex that was built in 1985.

It occurred to me that if the purchase of an older property was not done correctly that the financial risk could be catastrophic. For example, if the location was wrong, or all at once multiple huge dollar components of the property failed like a septic system, heating system, roof etc.

Hence the need for a step by step guide on how to acquire properties that would help to avoid such a situation.

Scope



The primary objective of this project was to develop a step by step user guide for Crystal River Properties and other small property management firms, (under \$100,000 gross annual revenue), to acquire additional rental income properties in the Matanuska Valley, specifically focusing on the greater Palmer/Wasilla area

The guide will identify selection criteria for evaluating and acquiring new properties for the company. Assessment criteria will be based upon price, anticipated return on investment, location, size, age, type of construction, property condition, recent renovations/property improvements, insurance costs, property tax rates, lessons learned from past property procurements and risk analysis considerations.

The methodology depicted in the guide will enable a thorough evaluation of property selection alternatives against likely risks and key success criteria providing the tools necessary to acquire additional business assets in the most economical fashion while simultaneously exposing the company to the smallest amount of risk.

The single deliverable for this project was to develop a systematic approach to evaluate potential rental income properties and package it into a step by step user guide for income property acquisition.

Assessment criteria will be based upon price (anticipated return on investment), location, size, age, type of construction, property condition (recent renovations), insurance and tax rates, lessons learned from past property procurements and risk analysis considerations.

The desired outcome of this project is to enable small companies engaging in income property acquisition operations to perform a thorough evaluation of property selection alternatives against likely risks and key success criteria and provide the tools necessary to acquire additional business assets in the most economical fashion while simultaneously limiting the organization's exposure to financial risk.

Research Methodology



Research for this project was very important in order for the final deliverable to be of value.

Research Methods

In order to gather the necessary data to determine the assessment criteria and content of the Rental Property Acquisition Guide, the project conducted interviews with subject matter experts.

In addition, there were paper surveys distributed to existing and potential tenants that helped determine end user stakeholder needs identification.

A review of literature was performed to analyze any existing information available on rental property acquisition at the macro level as well as in particular to the Palmer/Wasilla geographical areas in the Matanuska Valley.

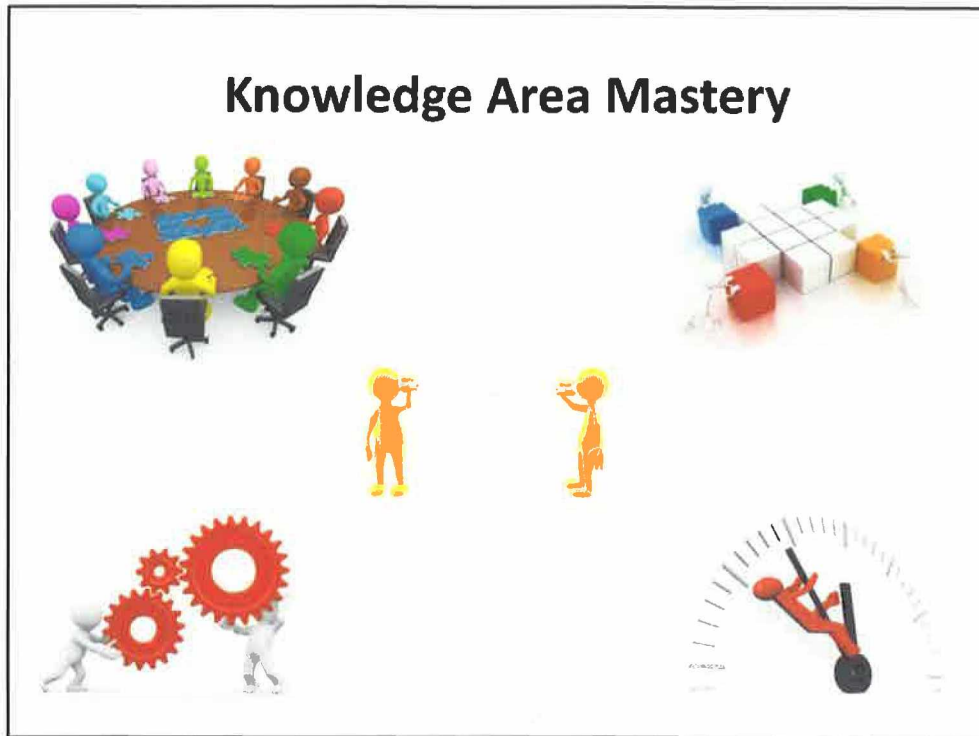
Approach to Analysis

The data collected from the interviews, surveys and literature review was used to determine the criteria required to acquire additional rental income properties with the least amount of risk exposure to the company.



Once the initiating and planning phase was complete the project was executed first by conducting the research, then analyzing the results, formulating conclusions and finally using that information to form the basis and content of the guide.

Knowledge Area Mastery



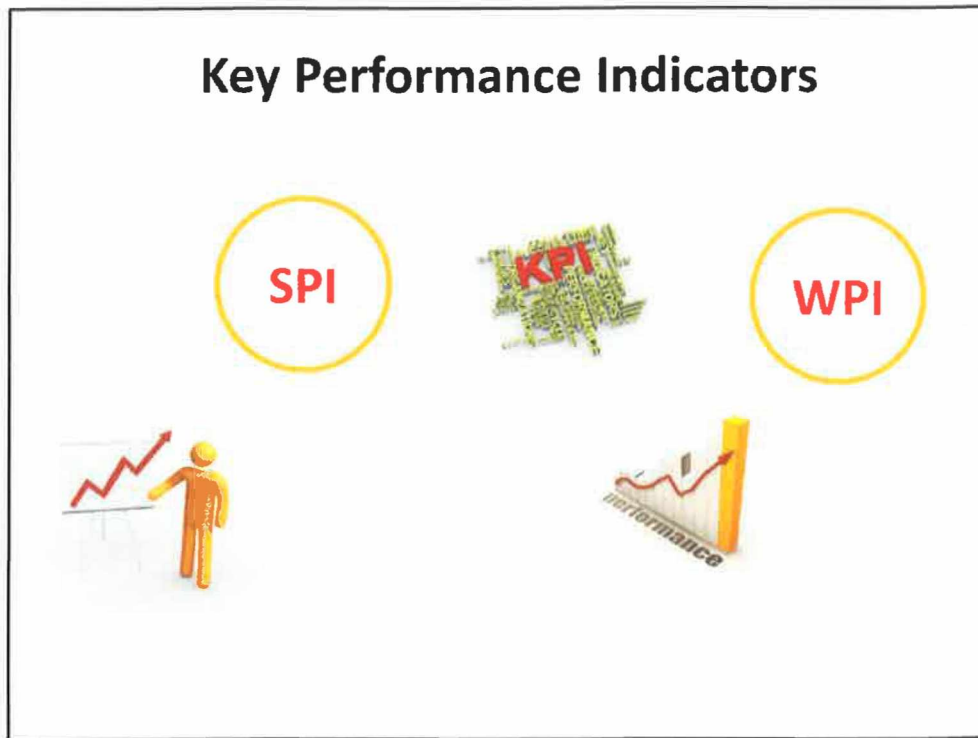
Project Time Management -This project was time critical and must be completed (PM686A, PM686B with final deliverable) by 31 December 2014 in order to stay in sync with company strategic goals.

Project Stakeholder Management - Stakeholder engagement and management was critical for the success and quality of the project and final product. The project deliverable relied heavily on stakeholder inputs through research and data analysis.

Project Integration Management - Integration Management for this project included the processes and activities to identify, define, unify and coordinate the efforts and was crucial to the controlled execution of this project.

Project Communications Management - Communication with the project team and stakeholders was important throughout the execution of the project in the gathering of data for research and analysis applicable to the final deliverable.

Key Performance Indicators



Given that there are no resources besides the PM, I determined that the best way to measure performance on this project was through the combined use of SPI for schedule tracking and WPI for monitoring work performance.

Schedule performance index (SPI) was derived from a comparison of Earned Value and Planned Value. The metric was measured at each status reporting date. With an upper limit of 1.1 and a Lower limit of 0.9. Anytime the lower limit was reached the schedule was "crashed" and a re-evaluation of the scope was performed.

When the upper limit was reached, re-evaluate scope of project to see if it is enough to fulfill requirements of project purpose.

Work performance index (WPI) was derived from Actual work and Planned work based on using the CPI function in MS Project and assigning one resource at \$1 per hour. The metric was measured at each status reporting date. With an upper limit of 1.2 and a lower limit of 0.8. When the lower limit was reached, crash work schedule by increasing percentage of work assigned to resource to complete task. The upper limit was never reached during the project.

Research Analysis & Conclusions



I started the quantitative research process with the thought mind to simply confirm pre-conceived notions of what the perfect rental property would look like. However, much to my chagrin, the results of the survey were somewhat different than what was initially anticipated. This realization served as prodigious learning point in that no information should ever be assumed without first performing some quantitative analysis for confirmation.

Analysis of the SME interviews revealed that the most desirable characteristics of a property that yielding the highest occupancy rates and lowest operating costs (insurance, taxes) would be a structure located within the city limits, with close access to infrastructure such as fire and police support.

This was reinforced through tenant survey analysis where the overwhelming majority of tenants preferred to live in close proximity to services.

So what does the perfect property look like? Research showed that a duplex with 2-3 bedrooms, heated garage, inside private laundry, separately metered utilities with 5 miles of city center was the most popular among tenants.

Now we know what the property should look like and where it should be, but how does one tell if a property is worth the investment?

Through a property inspection. A building inspection is an all-encompassing examination of the condition of a property that should be completed at the time of the sale of the property. The inspection is an inexpensive way to discover the universal condition of a structure and help reduce risk to the investor by avoiding the purchase of a property in need of major repairs.

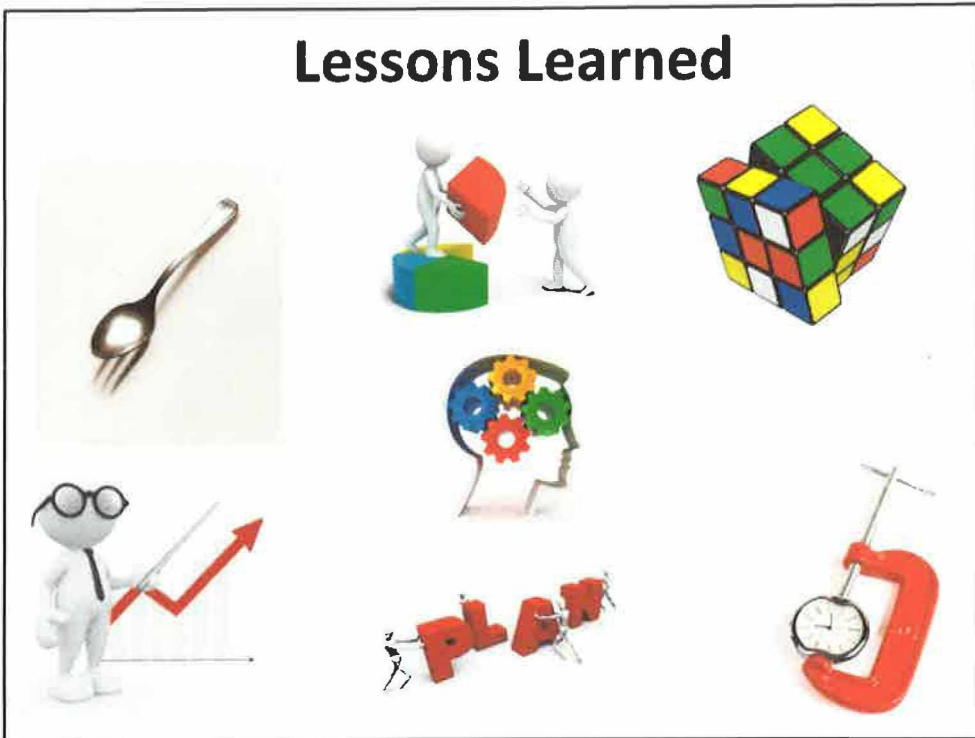
Critical Success Factors



This project was successful because all PPM deliverable requirements for the entire capstone program (PM686A and PM 686B) were met on schedule.

In addition the Rental Property Acquisition Guide has been completed, presented and made available to sponsor and other small rental income property businesses as a helpful tool in acquiring rental income properties in the greater Palmer/Wasilla areas within the Matanuska Valley.

Lessons Learned



Nothing is ever what it seems

Preconceived notions & biases

Complicated/unpredictable Stakeholders

Work always takes longer than expected – Chased WPI the whole time

Fail to plan means you are planning to fail. Summer work on project paid great dividends in finishing the project on schedule.

Questions



Thank you for your attention, this concludes my presentation today, do I have any questions at this time?

PM686B: Executing, Controlling and Closing Lessons Learned

The following narrative describes key lessons learned by the project manager during the fall 2014 session of PM686B while executing, controlling and closing the project management process groups for the Crystal River Properties Rental Property Acquisition Guide project. Most of the lessons learned depicted here are generic in terms of project management techniques and can be applied to almost any project.

PM686A and PM686B are the culmination of the MSPM program. It is important for student project managers to be mindful that they “own” the project and a great deal of self-motivation and self-discipline is required to successfully complete the project per syllabus guidelines. Students should be mindful of the fact that whatever happens or fails to happen with the project during each session is the sole responsibility of the project manager.

As with any project, proper research is critical to ensure success. In the case of UAA student research, an Internal Review Board approval is required. For the project manager of this project, the process was quite cumbersome and time consuming. Starting the process early on and allowing extra time to meet various requirements proved to be very valuable in successfully getting the exemption approved in a timely manner.

The actual research proved to be very valuable in the creation and ultimate completion of the final deliverable. Things are never what they appear to be. The project manager assumed that the results of the research would simply confirm pre conceived notions of what a perfect rental property would look like. However, much to the project manager’s chagrin, the results were quite different than initial assumptions. Never assume anything until a thorough quantitative analysis of research has been performed.

Project “dashboards” are a useful tool in project management and provide a real-time snapshot of a project’s status. Just because there are changes in scope, stakeholders, schedule etc., doesn’t necessarily drop the project status into the “yellow” or “red” category. A project can remain “green” and on track if the project manager is taking appropriate actions to adjust for the changes as outlined in their project management plan.

It is important for the student project manager to keep in mind the PM686 requirement contribution factor to the Project Management Body of Knowledge during the course of PM686A and B. In the case of this project there was only one resource, the project manager, and the deliverable in the original scope was aimed solely at Crystal River Properties. The narrow deliverable distribution was rectified by the project manager through scope adjustment offering the final product in electronic and hard copy format to other small business owners engaging in the property management and acquisition field.

The ESPM/MSPM administrative office has a wealth of knowledge available to students in the form of hard copy library project management books and publications as well as the electronic PM686 capstone library for reference. Using these resources was very helpful during PM686A in formulating the initial layout of the project management plan and final presentation.

Stakeholder management was by far the most important aspect of producing a useable deliverable for this project. Without appropriate stakeholder participation, the deliverable for this project could not have been successfully produced. The project manager learned early on to identify stakeholders wisely. It is important for students to understand that stakeholders can be unpredictable and it is a good idea while conducting research to have additional subjects available in the event that the primary individuals fail to live up to expectations.

Key Performance Indicators are an important tool to use during the execution of a project to accurately measure a project's status and health. Just because a project has only one resource and no funding, as was the case with all of the PM686A projects, doesn't mean that it can't have effective key performance indicators. The project manager for this project quickly learned the power of MS Project in manipulating the CPI function of the program to function as a work/effort performance indicator enabling accurate data depicting the status and performance of the project.

Resource allocation and estimated time to complete work can be a very challenging endeavor when managing a project. From the onset it appeared the project manager's initial estimates of time to complete tasks were too optimistic. Early tasks were taking as much as fifty percent longer to complete resulting in work/effort performance index values dropping to as low as .45 early in the semester. This situation was rectified by the project manager through the adjustment of planned work times for future tasks based on actual times required by similar tasks already completed to date on the project. By the end of the semester when the project was complete and closed the project manager finally enjoyed the fruits of his efforts and the final WPI was just a hint under 1.0.

PM686B Knowledge Area mastery narrative for Andrew Wareham

The knowledge areas selected for the Crystal River Properties Rental property Acquisition Guide project included time, stakeholder, integration and communications management. For this particular project, each of the knowledge areas were intertwined and proper management was critical to the project's success. Specific knowledge area applications to the project and performance measures are detailed below.

Project Time Management:

Application to project: This project was time critical and needed to be completed (PM686A, PM686B with final deliverable) by 31 December 2014 in order to stay in sync with company strategic goals.

Performance measured by: The generation of an accurate and thorough schedule. Presence of a schedule management plan, schedule baseline, accuracy/reporting of work performance data, and appropriate action taken to reprioritize remaining work in the event of identified schedule variances (schedule control). Maintaining project execution on planned schedule by comparing scheduled work hours with actual work hours and adjusting accordingly.

Performance demonstrated during PM686B: During the course of semester, the project manager followed the time management plan specified in the project management plan. Multiple refinements and updates were made to the schedule to include additional details on the actual work to be accomplished during the development of the project deliverable based on the newest version of the PM686B Syllabus. Scheduled work was tracked against actual work time to complete work and discovery was made that the actual work hours to complete work exceeded planned hours. The project manager worked closely with committee advisor Roger Hull to discuss a method using MS Project to track planned work vs. actual work as a key performance indicator for the project. Using the project manager as the sole resource and assigning a value of one dollar per hour, the MS project file could be manipulated to show CPI as "work performance index" (WPI) for the project. Based on that information the expected hours required to complete tasks later in the project have been adjusted in an effort to increase the WPI to a number closer to 1.0. By semester's end the WPI has shown an upward trend from a low point of approximately .45 up to .95.

Project Stakeholder Management

Application to project: Stakeholder engagement and management is critical for the success and quality of the project and final product. The project deliverable will rely heavily on stakeholder inputs through research and data analysis.

Performance measured by: Presence of a detailed Stakeholder Management Plan that includes management strategies to effectively engage stakeholders throughout the life cycle of the project

based on needs, interests and potential impacts to the project, thorough stakeholder identification and analysis and the ability to effectively manage stakeholder engagement relationships and adapt to changing needs or requirements.

Performance demonstrated during PM686B: Held regular meetings with student advisory committee to monitor course progress. Worked directly with advisory committee member Roger Hull to develop a work performance KPI for this project. Collaborated with UAA research center on IRB proposal and was granted approval ahead of schedule. Updated stakeholder management plan and Requirements Traceability Matrix in project management plan. Conducted interviews with subject matter experts (SME), distributed and gathered tenant surveys for research.

Project Integration Management:

Application to project: Integration Management for this project will include the processes and activities to identify, define, unify and coordinate the efforts that will be crucial to the controlled execution of this project.

Performance measured by: The timely submission of an approved project charter, a complete Project Management Plan to include pertinent subsidiary plans to complete the project, successful direction and management of project work by project manager, proper reporting of project progress, documented management of integrating change control and application of appropriate project closeout plan. Ability to refine and iterate project plan as requirements dictate.

Performance demonstrated during PM686B: All required PPM deliverables have been integrated into a complete final Project Management Plan including pertinent subsidiary plans for the successful completion of the project. Scope, abstract and other plans were been modified and updated based on guidance from Advisory committee.

Project Communications Management:

Application to project: Communication with the project team and stakeholders will be important to the successful gathering of data for research and analysis applicable to the final deliverable.

Performance measured by: Completeness of Communications Management Plan included in the Project Management Plan. Choice of communications media, following accepted writing styles for deliverables, meeting management and presentation techniques. In addition how well the project manager actually listens to and processes feedback. Ultimately, does the Communication Plan meet stakeholder's information needs and requirements to successfully execute this project?

Performance demonstrated during PM686B: Communicated regularly with various stakeholders to include advisory committee and subject matter experts to help determine the direction of the project. Worked closely with advisory committee member Roger Hull to develop a work performance KPI for his project. Communicated consistently with the UAA research department

to ensure IRB proposal acceptance and approval. Updated communication plan in final project management plan. Initiated and completed the research process by reaching out to subject matter experts and tenants, explaining their roles in the research process, conducted interviews and surveys.

Crystal River Properties Rental Property Acquisition Guide



Project Management Plan

Prepared by: Andrew J Wareham

PM686B Version 9.0

12/5/2014

Rental Property Acquisition Guide

Revision History

Date	Author	Description	Version
2/15/2014	Andrew Wareham (Project Manager)	Original - Cover page with table of contents	1.0
3/7/2014	Andrew Wareham (Project Manager)	Initial population of component plans	1.1
3/8/2014	Andrew Wareham (Project Manager)	Initial population of Appendix	1.2
3/9/2014	Andrew Wareham (Project Manager)	Edit for content to include advisory committee PPM#2 feedback	1.3
3/10/2014	Andrew Wareham (Project Manager)	Edit for content and component plan synchronization	1.4
3/11/2014	Andrew Wareham (Project Manager)	Updated schedule & WBS	1.5
3/13/2014	Andrew Wareham (Project Manager)	Updated schedule, & WBS, incorporate into PMP	1.6
3/14/2014	Andrew Wareham (Project Manager)	Draft Plan final edit for PPM#3	2.0
3/25/2014	Andrew Wareham (Project Manager)	Included research documents in appendix	2.1
4/2/2014	Andrew Wareham (Project Manager)	Edit for content and component plan synchronization	2.2
4/08/2014	Andrew Wareham (Project Manager)	Updated schedule, & WBS	2.3
4/10/2014	Andrew Wareham (Project Manager)	Updated Gantt	2.4
4/11/2014	Andrew Wareham (Project Manager)	Draft plan edit for PPM#4 submission	3.0
4/25/2014	Andrew Wareham (Project Manager)	Edits/updates Final version for PM686A	4.0
6/19/2014	Andrew Wareham (Project Manager)	Update schedule to reflect actual survey date variances	5.0
7/22/2014	Andrew Wareham (Project Manager)	Update WBS to include additional work package resulting from risk (R7&R8) realization	5.1
8/10/2014	Andrew Wareham (Project Manager)	Update Risk Register	5.2
9/7/2014	Andrew Wareham (Project Manager)	Update PMP and include edits to reflect PM686B PPM#1 deliverables: Updated RTM, WBS, Gantt, risk register, advisory committee contract, and dashboard status#1	5.3
9/11/2014	Andrew Wareham (Project Manager)	Add Appendix "H" to incorporate approved change control requests	5.4
9/16/2014	Andrew Wareham (Project Manager)	Updated abstract in Appendix "A"	6.0

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10/2/2014	Andrew Wareham (Project Manager)	Updated key research sources and key words	6.1
10/7/2014	Andrew Wareham (Project Manager)	Incorporated advisor approved validated research analysis into Appendix "C"	6.2
10/9/2014	Andrew Wareham (Project Manager)	Update PMP and include edits to reflect PM686B PPM#2 deliverables: Updated RTM, WBS, Gantt, schedule, risk register, communications matrix and dashboard status #3	6.3
11/6/14	Andrew Wareham (Project Manager)	Update PMP and include edits to reflect PM686B PPM#3 deliverables: Updated RTM, WBS, Abstract, Gantt, schedule and risk register	7.0
11/14/14	Andrew Wareham (Project Manager)	Incorporate dashboard status update #4 into appendix	7.1
11/18/14	Andrew Wareham (Project Manager)	Complete project closeout plan, obtain approval signatures and incorporate into PMP	7.2
11/20/14	Andrew Wareham (Project Manager)	Update PMP to include edits reflecting PM686B PPM#4 deliverables: Updated RTM, WBS, Abstract, Gantt, schedule and risk register	8.0
12/5/14	Andrew Wareham (Project Manager)	Final project update and closure Updated RTM, WBS, Abstract, Gantt, schedule and risk register	9.0

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Project Objectives

Deliverables and Outcomes

The single deliverable for this project will be to develop a systematic approach to evaluate potential rental income properties and package it into a step by step user guide for income property acquisition.

Assessment criteria will be based upon price (anticipated return on investment), location, size, age, type of construction, property condition (recent renovations), insurance and tax rates, lessons learned from past property procurements and risk analysis considerations.

The rental property acquisition guide will be made available in electronic PDF and hard copy format to Crystal River Properties as well as local real-estate agents specializing in investment property sales to be distributed to other small businesses, (less than \$100,000 total annual revenue), who engage in similar rental property acquisition and management practices.

The desired outcome of this project is to enable small companies engaging in income property acquisition operations to perform a thorough evaluation of property selection alternatives against likely risks and key success criteria and provide the tools necessary to acquire additional business assets in the most economical fashion while simultaneously limiting the organization's exposure to financial risk.

Scope Management Plan

Project Purpose

Crystal River Properties is a privately owned small business started in 2011 whose sole revenue stream relies upon rental income from company owned small multifamily (duplex and triplex) real property assets. In order for a business of this type to expand, additional properties must be acquired to increase revenue. The primary purpose of the project is to research and document best practices for acquiring rental income properties that will minimize small property management businesses exposure to financial risk.

Project Scope Statement

The primary objective of this project is to develop a step by step user guide for Crystal River Properties and other small property management firms, (with less than \$100,000 gross annual revenue), to acquire additional rental income properties in the Matanuska Valley, specifically focusing on the greater Palmer/Wasilla area. The guide will identify selection criteria for evaluating and acquiring new properties for the company. Assessment criteria will be based upon price, anticipated return on investment, location, size, age, type of construction, property condition, recent renovations/property improvements, insurance costs, property tax rates, lessons learned from past property procurements and risk analysis considerations.

The methodology depicted in the guide will enable a thorough evaluation of property selection alternatives against likely risks and key success criteria providing the tools necessary to acquire additional business assets in the most economical fashion while simultaneously exposing the company to the smallest amount of risk.

This project will entail research and development of the income property acquisition user guide only and will not include the actual acquisition of any additional rental income properties.

Scope Management Process

Scope management for this project will be the sole responsibility of the project manager. The scope of the project is encompassed in the Scope Statement and Work Breakdown Structure (WBS). The project manager, sponsor, or advisory committee may initiate proposed scope changes. All change requests will be submitted to the project manager who will evaluate the requested scope change. Scope change proposals will be considered and accepted by the project manager and submitted to the Change Control Board for acceptance. Upon approval of scope changes by the Change Control Board the project manager will update all project documents and communicate the scope change to all stakeholders.

Project Assumptions

- Ample data sets will be available for research.
- Local real-estate market conditions will remain essentially unchanged.
- Economy and rental market will remain stable over the course of the project.

Rental Property Acquisition Guide

Project Constraints

- There are no monetary resources allocated for this project.
- This project must be completed no later than 31 December 2014.
- Project Manager is the sole resource for this project.

Project Exclusions

- Project does not include actual publication of Rental Income Property Acquisition Guide
- Project does not include actual real-estate market research for the purposes of placing offer to purchase and acquisition of additional income properties.

Project Acceptance Criteria

The project will be considered complete and accepted once the Rental Income Property Acquisition Guide has been completed and presented to the advisory committee, accepted by the advisory committee, then distributed to the sponsor, real-estate agents and other small property management business owners.

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Stakeholder Management Plan

Stakeholder Management Approach

When doing a stakeholder analysis, it is important to include all the primary and secondary stakeholders both internal and external. These individuals and groups will have a vested interest in the outcome of the project and may affect whether or not its implementation will meet the intended purpose of the project. Proper stakeholder management will be a crucial factor in determining the success or failure of this project. The various stakeholders will provide invaluable information concerning best business practices about property acquisition throughout the research process.

Stakeholder Register

Stakeholder Name	Role	Expectations	Influence	Type
Cathy Wareham	Project Sponsor	Usable end product deliverable	H	P/I
Andrew Wareham	Project Manager	Usable end product deliverable	H	P/I
LuAnn Piccard	Primary Advisory Committee Member	For Project Manager to successfully complete project demonstrating mastery of project management skills	H	P/I
Roger Hull	Advisory Committee Member and Academic Advisor	For Project Manager to successfully complete project demonstrating mastery of Project management tent skills	H	P/I
Seong Dae Kim	Advisory Committee Member	For Project Manager to successfully complete project demonstrating mastery of Project management tent skills	H	P/I
Tenants Names (TBD)	Research subject	Provide amenity preferences for rental properties	M	P/E
Real-estate Agents & Property Managers (name TBD)	Research subject	Provide market trend and occupancy rate information	M	P/E
Financial Institutions (name TBD)	Research subject	Provide lending rates and fees on properties based on size and location	L	S/E
Insurance Companies (name TBD)	Research subject	Provide insurance quotes on various properties throughout the borough	L	S/E
Matanuska Susitna Borough/tax authority (name TBD)	Research subject	Provide tax rates for various areas within the borough	L	S/E
Building Inspection Companies	Research subject	Provide Building inspection tips and information on multi-family properties	L	S/E
Other Property Management Small Business owners	Research subject	Final version of Rental Property Acquisition guide	M	P/E

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Notes:

Stakeholders are people or groups interested in the project, program or company. Stakeholders have varying interests depending on their relationship with the project, but knowing whether they have primary or secondary interests may be valuable when doing an analysis of the situation.

Stakeholder Influence

High (H)

Medium (M)

Low (L)

Primary Stakeholders (P)

Primary stakeholders are the people and groups most affected by the outcome of the project and the outcome may be positive or negative. In research analysis, they are often divided into groups based upon certain demographic factors such as gender, socioeconomic status, age and ethnicity.

Secondary Stakeholders (S)

Secondary stakeholders are individuals or groups not directly affected by the outcome of the project, but still having an interest in it. They often help provide aid to the primary stakeholders. These groups may include government agencies, money-lending institutions or monitoring agencies.

Internal Stakeholders (I)

Internal stakeholders are those people who work directly within the organization.

i.e.

- Employees
- Management
- In this case UAA PM Staff (Advisory Committee members)

External Stakeholders (E)

External stakeholders are people who are not directly working within the business but are affected in some way from the decisions of the business.

i.e.

- Customers
- Suppliers
- Local communities
- Research subjects

Requirements Traceability Matrix

Requirements Traceability Matrix								
Functional Area	Functional Requirement	Specific Requirement	WBS ID Number	Primary Stakeholder (Acceptance)	Responsible	Acceptance Criteria	Validated By	Date
Project Management	Project Management Plan	Stakeholder Identification and Analysis	1.1.2.1	Student Advisory Committee	PM	Stakeholders identified and requirements analyzed	AJW	1/31/14
Project Management	Project Management Plan	Project Charter	1.1.2.1	Project Sponsor	PM	Project charter created by PM and accepted by Sponsor	AJW	1/31/14
Project Management	Project Management Plan	Scope Statement	1.1.3.1	Student Advisory Committee	PM	Clear and concise scope statement which describes what is included in the project as well as project exclusions	AJW	2/21/14
Project Management	Project Management Plan	Project Schedule	1.1.2.3	Student Advisory Committee	PM	Schedule complete and depicts all project work	AJW	1/31/14
Project Management	Project Management Plan	Project WBS	1.1.2.4	Student Advisory Committee	PM	WBS has been created and shows all of the work and only the work. (100% Rule)	AJW	1/31/14
Project Management	Project Management Plan	Project Gantt Chart	1.1.2.3	Student Advisory Committee	PM	Gantt chart produced which mirrors project schedule	AJW	1/31/14

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Requirements Traceability Matrix								
Functional Area	Functional Requirement	Specific Requirement	WBS ID Number	Primary Stakeholder (Acceptance)	Responsible	Acceptance Criteria	Validated By	Date
Project Management	Project Management Plan	Draft Project Management Component & Subsidiary Plans	1.1.4.1	Student Advisory Committee	PM	Draft Project Management Plan complete with associated subsidiary plans	AJW	3/14/14
Project Management	Project Management Plan	Final Project Management Component & Subsidiary Plans	1.1.5.4	Student Advisory Committee	PM	Final Project Management Plan complete with associated subsidiary plans ready for Submission	AJW	4/23/14
Research	Keywords	Formulate Key Words	1.1.3.6	Student Advisory Committee	PM	Ensure Keywords appropriate for project topic	AJW	4/5/14
Research	Methods	Methods and approach to analysis	1.1.4.3	Student Advisory Committee	PM	Identify preliminary research methods and approach to analysis	AJW	3/25/14
Research	Project topic	Literature Review	1.2.1.1	PM	PM	Existing research on topic reviewed and additional research required determined	AJW	10/18/14
Research	Surveys	Survey Subject Identification	1.2.1.5	PM	PM	Research subjects identified	AJW	5/15/14
Research	Surveys	Survey Development and Distribution	1.2.1.6	PM	PM	Survey questions developed and distributed to subjects	AJW	7/10/14

Rental Property Acquisition Guide

Requirements Traceability Matrix								
Functional Area	Functional Requirement	Specific Requirement	WBS ID Number	Primary Stakeholder (Acceptance)	Responsible	Acceptance Criteria	Validated By	Date
Research	Interviews	Interview Subject Identification	1.2.1.2	PM	PM	Research subjects identified	AJW	4/30/14
Research	Interviews	Interview Development	1.2.1.3	PM	PM	Interview questions formulated	AJW	4/20/14
Research	Surveys	Survey	1.2.1.5, 1.2.1.6	Tenants	PM	Interview complete all information conveyed	AJW	7/10/14/
Research	Interviews	Interview	1.2.1.2, 1.2.1.3	Real-estate Agents	PM	Interview complete all information conveyed	AJW	8/4/14
Research	Interviews	Interview	1.2.1.2, 1.2.1.3	Property Managers	PM	Interview complete all information conveyed	AJW	8/4/14
Research	Interviews	Interview	1.2.1.2, 1.2.1.3	Financial Institutions	PM	Interview complete all information conveyed	AJW	8/4/14
Research	Interviews	Interview	1.2.1.2, 1.2.1.3	Insurance Companies	PM	Interview complete all information conveyed	AJW	8/4/14
Research	Interviews	Interview	1.2.1.2, 1.2.1.3	MATSU Borough Tax Authority	PM	Interview complete all information conveyed	AJW	8/4/214

Rental Property Acquisition Guide

Requirements Traceability Matrix								
Functional Area	Functional Requirement	Specific Requirement	WBS ID Number	Primary Stakeholder (Acceptance)	Responsible	Acceptance Criteria	Validated By	Date
Research	Interviews	Interview	1.2.1.2, 1.2.1.3	Building Inspection Companies	PM	Interview complete all information documented	AJW	8/4/14
Research	Analysis	Analyze Data	1.2.1.8	PM	PM	Consolidate and analyze raw data as it pertains to project topic	AJW	10/9/14
PM686B Deliverables	Draft Project Paper	Professionally formatted draft project paper	1.2.5.1	Student Advisory Committee	PM	Draft paper meets all course requirements for content and presentation	AJW	11/7/14
PM686B Deliverables	Draft Presentation	Draft project presentation	1.2.6.1	Student Advisory Committee	PM	Draft presentation describes topic analysis conclusions and course requirement content	AJW	11/18/14
PM686 Deliverables	Final Project Paper	Professionally formatted final project paper	1.2.8.1	Student Advisory Committee	PM	Final paper meets all course requirements for content and presentation	AJW	11/20/14
PM686 Deliverables	Presentation	Final project presentation	1.2.7.1	Student Advisory Committee	PM	Final presentation describes topic analysis conclusions and course requirement content	AJW	NLT 12/2/14
Project Deliverable	Final Deliverable	Rental Property Acquisition Guide	1.2.9.2	Project Sponsor	PM	Final document ready to be put into use	AJW	11/20/14

Rental Property Acquisition Guide

Requirements Traceability Matrix								
Functional Area	Functional Requirement	Specific Requirement	WBS ID Number	Primary Stakeholder (Acceptance)	Responsible	Acceptance Criteria	Validated By	Date
Project Deliverable	Final Deliverable	Rental Property Acquisition Guide	1.2.9.2	Other Income property small business owners	PM	Final document ready to be put into use	AJW	11/20/14

Communication Management Plan

Communications Management Approach

The project manager is responsible for the oversight and execution of day-to-day project activities, ensuring the project remains on schedule and within scope. The project manager will be responsible for communicating status and providing deliverables to the project sponsor, advisory committee, and various stakeholders as required. The project sponsor will be responsible for providing non-monetary support for the project as well as for approval of the project charter. The project manager will deliver information regarding the status and deliverables of the project to the sponsor for review. The sponsor will provide input as required. The project manager will provide frequent communication with the project sponsor. The Advisory Committee will review status and direction of the project and evaluate success at each milestone.

Communications Matrix

Communication Type	Communication Objective	Frequency	Medium	Audience	Owner	Deliverables
Sponsor Meeting	Initial discussion of topic project objectives. Receive project approval	Once, then as required to address change requests	Face to Face	Project Sponsor Project Manager	Project Manager	Approved Charter Draft Schedule Scope Baseline
Advisory Committee Meetings	Review status and deliverables with committee members. Receive feedback and recommendations. Review changes.	Bi-weekly and as required	Face to Face Blackboard Phone Email	Project Manager Advisory Committee Members	Project Manager	Feedback Recommendations Approval of products/ deliverables Recommended changes
Project Status Reports	Report project status. Includes progress, issues, risks, and key takeaways	Every 3 weeks	Face to Face Email	Project Sponsor Advisory Committee members Classmates/Peers	Project Manager	Project Status Report
Interview	To gather data on “best” business practices for acquiring Rental income properties	Once	Face to Face, Email, Internet Survey	Project Manager Tenants	Project Manager	Data collection for analysis
Interview	To gather data on “best” business practices for acquiring Rental income properties	Once	Face to Face, Phone, Email	Project Manager Real-estate Agents/Property Managers	Project Manager	Data collection for analysis
Interview	To gather data on “best” business practices for acquiring Rental income properties	Once	Face to Face, Phone, Email	Project Manager Financial Institution Representatives	Project Manager	Data collection for analysis

Rental Property Acquisition Guide

Communication Type	Communication Objective	Frequency	Medium	Audience	Owner	Deliverables
Interview	To gather data on “best” business practices for acquiring Rental income properties	Once	Face to Face, Phone, Email	Project Manager Insurance Company Representatives	Project Manager	Data collection for analysis
Interview	To gather data on “best” business practices for acquiring Rental income properties	Once	Face to Face, Phone, Email	Project Manager MATSU Borough Tax Authority	Project Manager	Data collection for analysis
Interview	To gather data on “best” business practices for acquiring Rental income properties	Once	Face to Face, Phone, Email	Project Manager Building Inspection Company Representatives	Project Manager	Data collection for analysis
Rental Property Acquisition Guide Delivery	Discuss guide with Sponsor, real-estate agents and other property management small business owners	Once	Face to Face	Project Manager Project Sponsor Real-estate agents property management small business owners	Project Manager	Rental Property Acquisition Guide
Project Closeout	Discuss results and lessons learned.	Once	Face to Face	Project Manager Project Sponsor	Project Manager	Lessons learned

Project Communications Directory

Role	Name/Title/Organization	Phone	Email
Project Manager	Andrew Wareham/Crystal River Properties	907-982-2740	awareham@alaska.edu
Sponsor	Cathy Wareham/Crystal River Properties	907-864-0991	warehamaj@yahoo.com
Academic Advisor	Roger Hull/Advisory/committee member, professor, UAA	907-786-1923	rkhull@uaa.alaska.edu
Primary Committee Advisor	Luann Piccard/Dept Chair MSPM, professor , UAA	907-786-1917	Lpiccard2@uaa.alaska.edu
Committee Advisor	Seong Dae Kim/committee member, professor, UAA	907-786-1922	sdkim2@uaa.alaska.edu
Research Subjects	Shelby Johnson & Andrew Blum, Tenants, Crystal River Properties	612-803-0582	snjohnson622@gmail.com; Blumaj22@gmail.com
Research Subjects	John & Marianne Kerns, Tenants, Crystal River Properties	907-631-1608	N/A
Research Subject	Lawrence Rima, Tenant, Crystal River Properties	907-744-1798	butchrima@gmail.com
Research Subject	Kenneth Tunnel, Tenant, Crystal River Properties	907-357-7700	N/A
Research Subject	David Klein, Tenant, Crystal River Properties	907-355-5105	N/A
Research Subjects	Other Tenants	TBD	TBD
Subject Matter Expert	Sandra McMillian, Realtor, Prudential, Jack White Realty	907-354-1049	sandra@sandramcmillian.com
Subject Matter Expert	Mart VanDiest, Realtor/property manager, Valley Market Real Estate	907-232-7900	marty@valleymarket.com
Subject Matter Expert	Kristan Cole, Realtor/property manager, Keller Williams Realty	907-373-3575	Kristan@KristanCole.com

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Role	Name/Title/Organization	Phone	Email
Subject Matter Expert	Dave Dunivan, Tax Assessor, Matanuska Borough	907-745-9647	david.dunivan@matsugov.us
Subject Matter Expert	Theresa Sanders, Loan agent, USAA Federal Savings Bank	800-531-8781 ext. 28946	Theresa.Sanders@usaa.com
Subject Matter Expert	Linda Brandon, Insurance agent, State Farm	907-376-2478	Linda@lindabrandon.com
Subject Matter Expert	Insurance agent, USAA Bryant Jones	800-531-8111	
Subject Matter Expert	Carol Perkins, Building inspector, Active Home Inspections, LLC	907-376-0402	office@activeinspections.net
Subject Matter Expert	Dan Sommer, Building inspector, Sommer Enterprises	907-841-9188	

Time Management Plan

Time Management Approach

Time management of this project will be monitored and managed through the application of Microsoft Project and WBS Chart Pro. Various metrics will be measured on regular basis to ensure the project remains on schedule.

Schedule

WBS	Task Name	% Complete	Duration	Start	Finish	Baseline Work	Work	Actual Work
1	Crystal River Properties Rental Income Property Acquisition Guide (Wareham PM686B Final, December 5, 2014)	100%	257 days	Fri 1/17/14	Wed 12/31/14	1,296.48 hrs	1,717.25 hrs	1,717.25 hrs
1.1	Project Initiation and Planning (PM686A)	100%	248 days	Fri 1/17/14	Thu 12/18/14	257.5 hrs	663.5 hrs	663.5 hrs
1.1.1	Project kickoff meeting (Class Session#1)	100%	1 day	Fri 1/17/14	Fri 1/17/14	2 hrs	2 hrs	2 hrs
1.1.2	PPM #1	100%	17 days	Fri 1/17/14	Fri 2/7/14	28.5 hrs	34.25 hrs	34.25 hrs
1.1.2.1	Stakeholder identification and analysis	100%	2.63 days	Thu 1/23/14	Mon 1/27/14	3 hrs	6 hrs	6 hrs
1.1.2.2	Create Project Charter	100%	1.5 days	Wed 1/22/14	Thu 1/23/14	5 hrs	6 hrs	6 hrs
1.1.2.3	Build preliminary project schedule with Gantt chart	100%	1.5 days	Thu 1/30/14	Fri 1/31/14	6 hrs	6 hrs	6 hrs
1.1.2.4	Generate preliminary WBS	100%	1.25 days	Fri 1/17/14	Mon 1/20/14	5 hrs	5 hrs	5 hrs
1.1.2.5	Identify and obtain agreement from advisory committee members	100%	1.75 days	Wed 1/22/14	Thu 1/23/14	1 hr	1.75 hrs	1.75 hrs
1.1.2.6	Submit preliminary GSP to PM Dept staff	100%	1 day	Thu 1/23/14	Thu 1/23/14	0.5 hrs	0.5 hrs	0.5 hrs
1.1.2.7	Select 3-4 knowledge areas	100%	2 days	Tue 1/28/14	Wed 1/29/14	1 hr	2 hrs	2 hrs
1.1.2.8	Complete IRB training	100%	1 day	Wed 1/22/14	Wed 1/22/14	4 hrs	4 hrs	4 hrs
1.1.2.9	PPM#1 Deliverables submitted (milestone)	100%	1 day	Fri 1/31/14	Fri 1/31/14	1 hr	1 hr	1 hr
1.1.2.10	Status Update (Class Session #2)	100%	1 day	Fri 2/7/14	Fri 2/7/14	2 hrs	2 hrs	2 hrs
1.1.3	PPM #2	100%	23 days	Sat 2/1/14	Fri 2/28/14	68 hrs	68.25 hrs	68.25 hrs
1.1.3.1	Create scope statement	100%	1 day	Sat 2/1/14	Sat 2/1/14	1 hr	1 hr	1 hr
1.1.3.2	Create requirements documentation (Traceability Matrix)	100%	1.46 days	Mon 2/3/14	Tue 2/4/14	5 hrs	4 hrs	4 hrs
1.1.3.3	Update WBS	100%	1 day	Wed 2/5/14	Wed 2/5/14	1 hr	1 hr	1 hr
1.1.3.4	Update project schedule	100%	0.75 days	Wed 2/5/14	Wed 2/5/14	1 hr	0.75 hrs	0.75 hrs
1.1.3.5	Build table of contents for PMP and final project report	100%	1.19 days	Fri 2/14/14	Sat 2/15/14	3 hrs	4.5 hrs	4.5 hrs
1.1.3.6	Determine research sources and key words	100%	1 day	Sat 2/15/14	Sat 2/15/14	2 hrs	2 hrs	2 hrs
1.1.3.7	Define preliminary research methods and approach to analysis	100%	1 day	Sat 2/15/14	Sat 2/15/14	2 hrs	2 hrs	2 hrs
1.1.3.8	Complete IRB paperwork and submit	100%	1.5 days	Mon 2/17/14	Tue 2/18/14	2 hrs	3 hrs	3 hrs
1.1.3.9	Complete student/advisory committee "expectations	100%	2 days	Mon 2/17/14	Tue 2/18/14	1.5 hrs	1.5 hrs	1.5 hrs

Rental Property Acquisition Guide

WBS	Task Name	% Complete	Duration	Start	Finish	Baseline Work	Work	Actual Work
1.1.3.10	PPM#2 Deliverables submitted (milestone)	100%	0.06 days	Fri 2/21/14	Fri 2/21/14	0.5 hrs	0.5 hrs	0.5 hrs
1.1.3.11	Status Update (Class Session #3)	100%	1 day	Fri 2/28/14	Fri 2/28/14	2 hrs	2 hrs	2 hrs
1.1.4	- PPM #3	100%	220 days	Sat 2/22/14	Thu 12/18/14	67 hrs	461.5 hrs	461.5 hrs
1.1.4.1	Create written draft of Project management plan	100%	3.5 days	Mon 3/10/14	Thu 3/13/14	5.5 hrs	7 hrs	7 hrs
1.1.4.2	Update/revise abstract	100%	0.25 days	Sat 2/22/14	Sat 2/22/14	0.5 hrs	0.5 hrs	0.5 hrs
1.1.4.3	Write description of expected research methods, results and approach for analysis	100%	1 day	Sat 2/22/14	Mon 2/24/14	3.5 hrs	2 hrs	2 hrs
1.1.4.4	Write description of expected project deliverables and outcomes	100%	1 day	Tue 2/25/14	Tue 2/25/14	2 hrs	2 hrs	2 hrs
1.1.4.5	Update Gantt chart	100%	0.25 days	Thu 2/27/14	Thu 2/27/14	0.5 hrs	0.5 hrs	0.5 hrs
1.1.4.6	Update 3-4 knowledge area processes and measure criteria	100%	3.5 days	Mon 3/10/14	Thu 12/18/14	0.5 hrs	7 hrs	7 hrs
1.1.4.7	PPM#3 Deliverables submitted (milestone)	100%	0.25 days	Fri 3/14/14	Fri 3/14/14	0.5 hrs	0.5 hrs	0.5 hrs
1.1.4.8	Status Update (Class Session #5)	100%	1 day	Fri 3/28/14	Fri 3/28/14	2 hrs	2 hrs	2 hrs
1.1.5	- PPM #4	100%	16 days	Fri 3/28/14	Wed 4/16/14	50.5 hrs	50.5 hrs	50.5 hrs
1.1.5.1	Obtain approval for research instruments and analysis methodology	100%	1 day	Fri 3/28/14	Fri 3/28/14	2 hrs	2 hrs	2 hrs
1.1.5.2	Confirm IRB approval	100%	0.5 days	Mon 3/31/14	Mon 3/31/14	1 hr	1 hr	1 hr
1.1.5.3	Prepare draft presentation	100%	2 days	Sat 3/29/14	Mon 3/31/14	4 hrs	4 hrs	4 hrs
1.1.5.4	Prepare final project management plan	100%	3 days	Thu 4/3/14	Sat 4/5/14	6 hrs	6 hrs	6 hrs
1.1.5.5	Refine description of project deliverables	100%	0.5 days	Sun 4/6/14	Sun 4/6/14	1 hr	1 hr	1 hr
1.1.5.6	Update 3-4 knowledge area processes and measure criteria (PM Plan)	100%	0.75 days	Sat 4/5/14	Sat 4/5/14	1.5 hrs	1.5 hrs	1.5 hrs
1.1.5.7	Update 3-4 knowledge area processes and measure criteria (execution)	100%	0.75 days	Sun 4/6/14	Sun 4/6/14	1.5 hrs	1.5 hrs	1.5 hrs

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WBS	Task Name	% Complete	Duration	Start	Finish	Baseline Work	Work	Actual Work
1.1.5.8	Update Gantt chart	100%	0.25 days	Sun 4/6/14	Sun 4/6/14	0.5 hrs	0.5 hrs	0.5 hrs
1.1.5.9	IRB Apporval NLT 11 April (milestone)	100%	0.25 days	Fri 4/11/14	Fri 4/11/14	0.5 hrs	0.5 hrs	0.5 hrs
1.1.5.10	PPM#4 Deliverables submitted (milestone)	100%	0.25 days	Fri 4/11/14	Fri 4/11/14	0.5 hrs	0.5 hrs	0.5 hrs
1.1.5.11	Go/No-Go Decision (milestone)	100%	0 days	Wed 4/16/14	Wed 4/16/14	0 hrs	0 hrs	0 hrs
1.1.6	- Final Oral Defenses (PM686A)	100%	7.25 days	Mon 4/21/14	Tue 4/29/14	20.5 hrs	29 hrs	29 hrs
1.1.6.1	Final presentaion submitted	100%	0.25 days	Mon 4/21/14	Mon 4/21/14	0.5 hrs	0.5 hrs	0.5 hrs
1.1.6.2	Project Plan final oral presentation (milestone)	100%	7 days	Mon 4/21/14	Tue 4/29/14	14 hrs	14 hrs	14 hrs
1.1.7	- Submission of final PM686A deliverables	100%	4.25 days	Wed 4/23/14	Mon 4/28/14	18 hrs	18 hrs	18 hrs
1.1.7.1	Prepare final project management plan	100%	1.5 days	Wed 4/23/14	Thu 4/24/14	3 hrs	3 hrs	3 hrs
1.1.7.2	Refine project research, deliverables and outcomes	100%	1 day	Thu 4/24/14	Thu 4/24/14	2 hrs	2 hrs	2 hrs
1.1.7.3	Include final presentation slides	100%	0.5 days	Thu 4/24/14	Thu 4/24/14	1 hr	1 hr	1 hr
1.1.7.4	Create summary of project lessons learned	100%	0.75 days	Sat 4/26/14	Sat 4/26/14	1.5 hrs	1.5 hrs	1.5 hrs
1.1.7.5	Create descriptive narrative of knowledge areas and measures	100%	0.75 days	Sat 4/26/14	Sat 4/26/14	1.5 hrs	1.5 hrs	1.5 hrs
1.1.7.6	Submit final PM686A deliverables (milestone)	100%	0.25 days	Mon 4/28/14	Mon 4/28/14	0.5 hrs	0.5 hrs	0.5 hrs
1.2	- Project Execution, Monitoring and Control and Closeout (PM686B)	100%	227 days	Tue 2/25/14	Wed 12/31/14	1,038.98 hrs	1,053.75 hrs	1,053.75 hrs
1.2.1	- Interviews/Research	100%	112 days	Tue 2/25/14	Thu 7/24/14	265.5 hrs	270.5 hrs	270.5 hrs
1.2.1.1	Conduct Literature Review	100%	4 days	Tue 6/3/14	Fri 6/6/14	6 hrs	8 hrs	8 hrs
1.2.1.2	Build interview format and create questions	100%	3 days	Mon 6/9/14	Wed 6/11/14	6 hrs	6 hrs	6 hrs
1.2.1.3	Schedule interviews with SMEs	100%	0.5 days	Mon 6/16/14	Mon 6/16/14	1 hr	1 hr	1 hr

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WBS	Task Name	% Complete	Duration	Start	Finish	Baseline Work	Work	Actual Work
1.2.1.4	Conduct interviews with SMEs	100%	5 days	Mon 7/14/14	Fri 7/18/14	10 hrs	10 hrs	10 hrs
1.2.1.5	Build survey format	100%	1.75 days	Tue 2/25/14	Wed 2/26/14	3.5 hrs	3.5 hrs	3.5 hrs
1.2.1.6	Conduct surveys with tenants	100%	2 days	Thu 6/19/14	Fri 6/20/14	4 hrs	4 hrs	4 hrs
1.2.1.7	Distribute hard copy surveys and upload results	100%	2 days	Mon 6/23/14	Tue 6/24/14	4 hrs	4 hrs	4 hrs
1.2.1.8	Consolidate data	100%	3 days	Mon 7/21/14	Wed 7/23/14	6 hrs	6 hrs	6 hrs
1.2.1.9	Analyze data	100%	2 days	Wed 7/23/14	Thu 7/24/14	4 hrs	4 hrs	4 hrs
1.2.2	- Deliverable Creation	100%	4.5 days	Fri 7/25/14	Thu 7/31/14	16 hrs	16 hrs	16 hrs
1.2.2.1	Apply data analysis to create table of contents and subject blocks for guide	100%	1 day	Fri 7/25/14	Fri 7/25/14	2 hrs	2 hrs	2 hrs
1.2.2.2	Create first draft of Rental Income Acquisition Guide	100%	3.5 days	Mon 7/28/14	Thu 7/31/14	5 hrs	5 hrs	5 hrs
1.2.3	- PPM #1	100%	19 days	Tue 9/2/14	Fri 9/26/14	44.25 hrs	59.25 hrs	59.25 hrs
1.2.3.1	Develop Change Control process	100%	1.5 days	Tue 9/2/14	Wed 9/3/14	2 hrs	3 hrs	3 hrs
1.2.3.2	- Project Management Plan Updates	100%	2.5 days	Wed 9/3/14	Fri 9/5/14	7 hrs	11 hrs	11 hrs
1.2.3.2.1	Update Requirements Traceability Matrix	100%	0.5 days	Wed 9/3/14	Wed 9/3/14	1 hr	1 hr	1 hr
1.2.3.2.2	Update WBS	100%	0.5 days	Thu 9/4/14	Thu 9/4/14	1 hr	1 hr	1 hr
1.2.3.2.3	Update Gantt Chart	100%	0.5 days	Thu 9/4/14	Thu 9/4/14	1 hr	1 hr	1 hr
1.2.3.2.4	Update Risk Register	100%	0.5 days	Thu 9/4/14	Thu 9/4/14	1 hr	1 hr	1 hr
1.2.3.2.5	Status update (Class Session #1)	100%	0.5 days	Fri 9/5/14	Fri 9/5/14	2 hrs	2 hrs	2 hrs
1.2.3.3	Implement risk response plan	100%	0.5 days	Mon 9/8/14	Mon 9/8/14	1 hr	1 hr	1 hr
1.2.3.4	Provide project deliverable status update	100%	0.25 days	Mon 9/8/14	Mon 9/8/14	0.5 hrs	0.5 hrs	0.5 hrs
1.2.3.5	Update 3-4 knowledge area processes and measure criteria	100%	0.38 days	Mon 9/8/14	Mon 9/8/14	0.75 hrs	0.75 hrs	0.75 hrs
1.2.3.6	Turn in Final GSP directly to staff	100%	0.25 days	Fri 9/5/14	Fri 9/5/14	0.5 hrs	0.5 hrs	0.5 hrs

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WBS	Task Name	% Complete	Duration	Start	Finish	Baseline Work	Work	Actual Work
1.2.3.7	Complete student/advisory committee "expectations contract"	100%	1 day	Fri 9/5/14	Fri 9/5/14	1 hr	2 hrs	2 hrs
1.2.3.8	PPM#1 Deliverables submitted (milestone)	100%	0.25 days	Fri 9/12/14	Fri 9/12/14	1 hr	0.5 hrs	0.5 hrs
1.2.3.9	Status Update (Class Session #2)	100%	1 day	Fri 9/26/14	Fri 9/26/14	2 hrs	2 hrs	2 hrs
1.2.4	- PPM #2	100%	26 days	Mon 9/22/14	Fri 10/24/14	61.73 hrs	75 hrs	75 hrs
1.2.4.1	Updated abstract	100%	0.5 days	Mon 9/22/14	Mon 9/22/14	0.75 hrs	1 hr	1 hr
1.2.4.2	Updated table of contents	100%	0.5 days	Mon 9/22/14	Mon 9/22/14	1 hr	1 hr	1 hr
1.2.4.3	Updated resources and key words	100%	0.5 days	Mon 9/22/14	Mon 9/22/14	0.5 hrs	1 hr	1 hr
1.2.4.4	Validated research analysis	100%	1 day	Mon 9/22/14	Mon 9/22/14	3 hrs	2 hrs	2 hrs
1.2.4.5	Project EVM update status	100%	0.5 days	Mon 9/22/14	Mon 9/22/14	2 hrs	1 hr	1 hr
1.2.4.6	Update 3-4 knowledge area processes and measure criteria	100%	2.25 days	Tue 9/23/14	Thu 9/25/14	1 hr	4.5 hrs	4.5 hrs
1.2.4.14	- Project Management Plan Updates	100%	2.25 days	Tue 9/23/14	Thu 9/25/14	7 hrs	7.5 hrs	7.5 hrs
1.2.4.14.9	Update Requirements Traceability Matrix	100%	0.5 days	Tue 9/23/14	Tue 9/23/14	1 hr	1 hr	1 hr
1.2.4.14.10	Update WBS	100%	0.25 days	Wed 9/24/14	Wed 9/24/14	0.5 hrs	0.5 hrs	0.5 hrs
1.2.4.14.11	Update schedule/Gantt Chart	100%	0.5 days	Wed 9/24/14	Wed 9/24/14	0.5 hrs	1 hr	1 hr
1.2.4.14.12	Update Risk Register	100%	0.25 days	Thu 9/25/14	Thu 9/25/14	0.5 hrs	0.5 hrs	0.5 hrs
1.2.4.8	Risk response implementation updates	100%	0.5 days	Thu 9/25/14	Thu 9/25/14	0.75 hrs	1 hr	1 hr
1.2.4.10	Provide project deliverable status update	100%	0.5 days	Wed 10/1/14	Wed 10/1/14	0.73 hrs	1 hr	1 hr
1.2.4.11	PPM#2 Deliverables submitted (milestone)	100%	0.5 days	Fri 10/10/14	Fri 10/10/14	1 hr	1 hr	1 hr

Rental Property Acquisition Guide

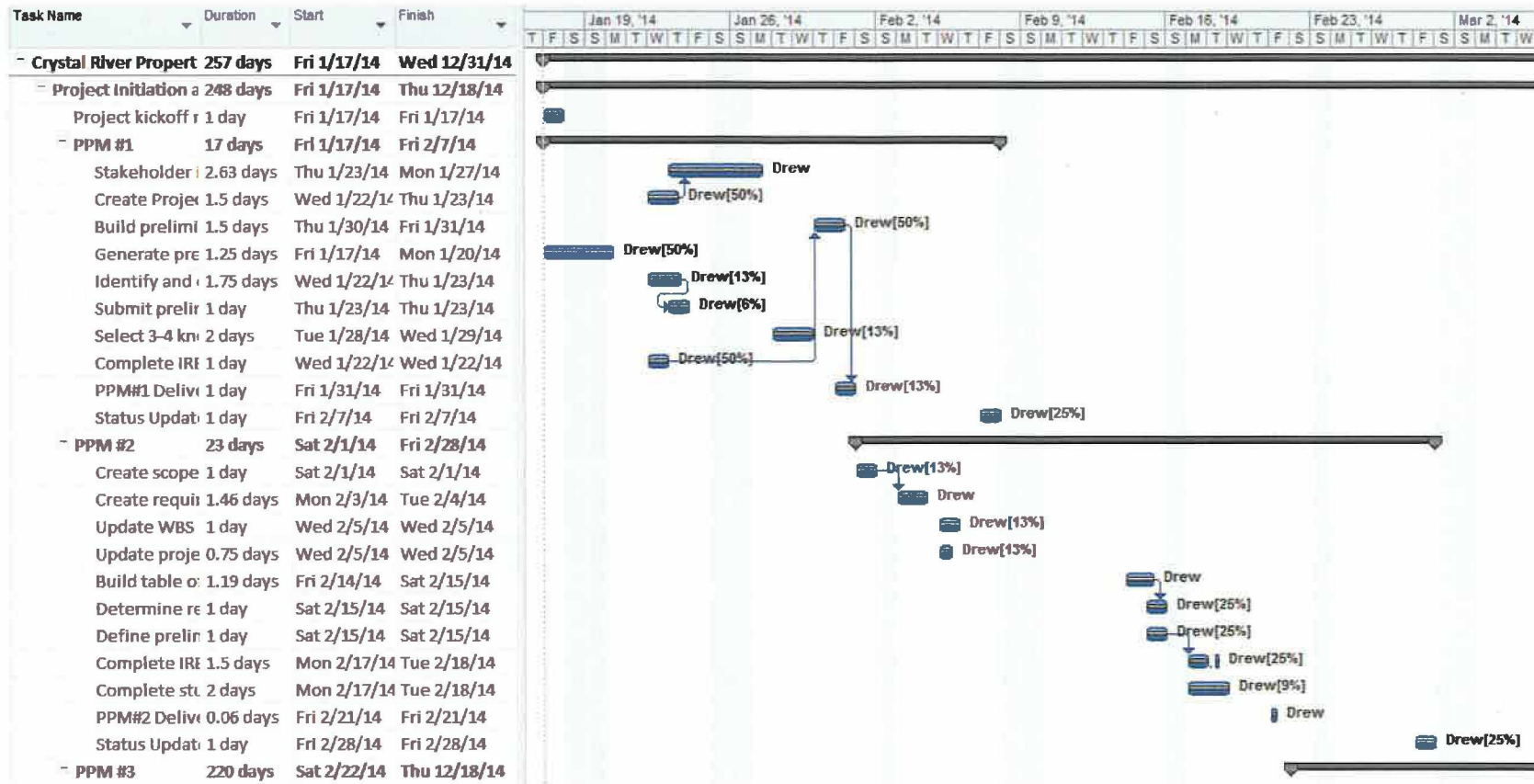
WBS	Task Name	% Complete	Duration	Start	Finish	Baseline Work	Work	Actual Work
1.2.4.12	Go/No-Go Decision #1 (milestone)	100%	0 days	Wed 10/15/14	Wed 10/15/14	0 hrs	0 hrs	0 hrs
1.2.4.13	Status Update (Class Session #3)	100%	1 day	Fri 10/24/14	Fri 10/24/14	2 hrs	2 hrs	2 hrs
1.2.5	- PPM #3	100%	26 days	Thu 10/16/14	Thu 11/20/14	73.5 hrs	79.5 hrs	79.5 hrs
1.2.5.1	Properly formatted working draft of final paper	100%	4.5 days	Thu 10/16/14	Wed 10/22/14	8 hrs	9 hrs	9 hrs
1.2.5.2	Revised abstract	100%	0.5 days	Thu 10/16/14	Thu 10/16/14	1 hr	1 hr	1 hr
1.2.5.3	Draft research and results analysis version #2	100%	2 days	Fri 10/17/14	Mon 10/20/14	4 hrs	4 hrs	4 hrs
1.2.5.4	Preliminary conclusions and project deliverables version #2	100%	4.5 days	Thu 10/16/14	Wed 10/22/14	4 hrs	9 hrs	9 hrs
1.2.5.5	Updated schedule	100%	0.5 days	Thu 10/16/14	Thu 10/16/14	1 hr	1 hr	1 hr
1.2.5.6	Update 3-4 knowledge area processes and measure criteria	100%	0.5 days	Fri 10/17/14	Fri 10/17/14	1 hr	1 hr	1 hr
1.2.5.7	PPM#3 Deliverables submitted (milestone)	100%	0.25 days	Fri 11/7/14	Fri 11/7/14	0.5 hrs	0.5 hrs	0.5 hrs
1.2.5.8	Go/No-Go Decision #2 (milestone)	100%	0 days	Wed 11/12/14	Wed 11/12/14	0 hrs	0 hrs	0 hrs
1.2.5.9	Status Update (Class Session #5)	100%	1 day	Fri 11/14/14	Fri 11/14/14	2 hrs	2 hrs	2 hrs
1.2.6	- PPM #4	100%	17 days	Mon 11/3/14	Wed 11/26/14	41 hrs	46.5 hrs	46.5 hrs
1.2.6.1	Create final presentation	100%	2 days	Mon 11/3/14	Tue 11/4/14	4 hrs	4 hrs	4 hrs
1.2.6.2	Complete final and properly formatted project report and final deliverables	100%	3 days	Mon 11/3/14	Wed 11/5/14	6 hrs	6 hrs	6 hrs
1.2.6.3	Update schedule	100%	0.5 days	Tue 11/4/14	Tue 11/4/14	1 hr	1 hr	1 hr
1.2.6.4	Update 3-4 knowledge area processes and measure criteria	100%	0.5 days	Mon 11/10/14	Mon 11/10/14	1 hr	1 hr	1 hr
1.2.6.5	PPM#4 Deliverables submitted (milestone)	100%	0.25 days	Fri 11/21/14	Fri 11/21/14	0.5 hrs	0.5 hrs	0.5 hrs
1.2.6.6	Go/No-Go Decision final (milestone)	100%	0 days	Wed 11/26/14	Wed 11/26/14	0 hrs	0 hrs	0 hrs
1.2.7	- Final Oral Defenses (PM686B)	100%	3 days	Mon 12/1/14	Wed 12/3/14	32.5 hrs	10.5 hrs	10.5 hrs

Rental Property Acquisition Guide

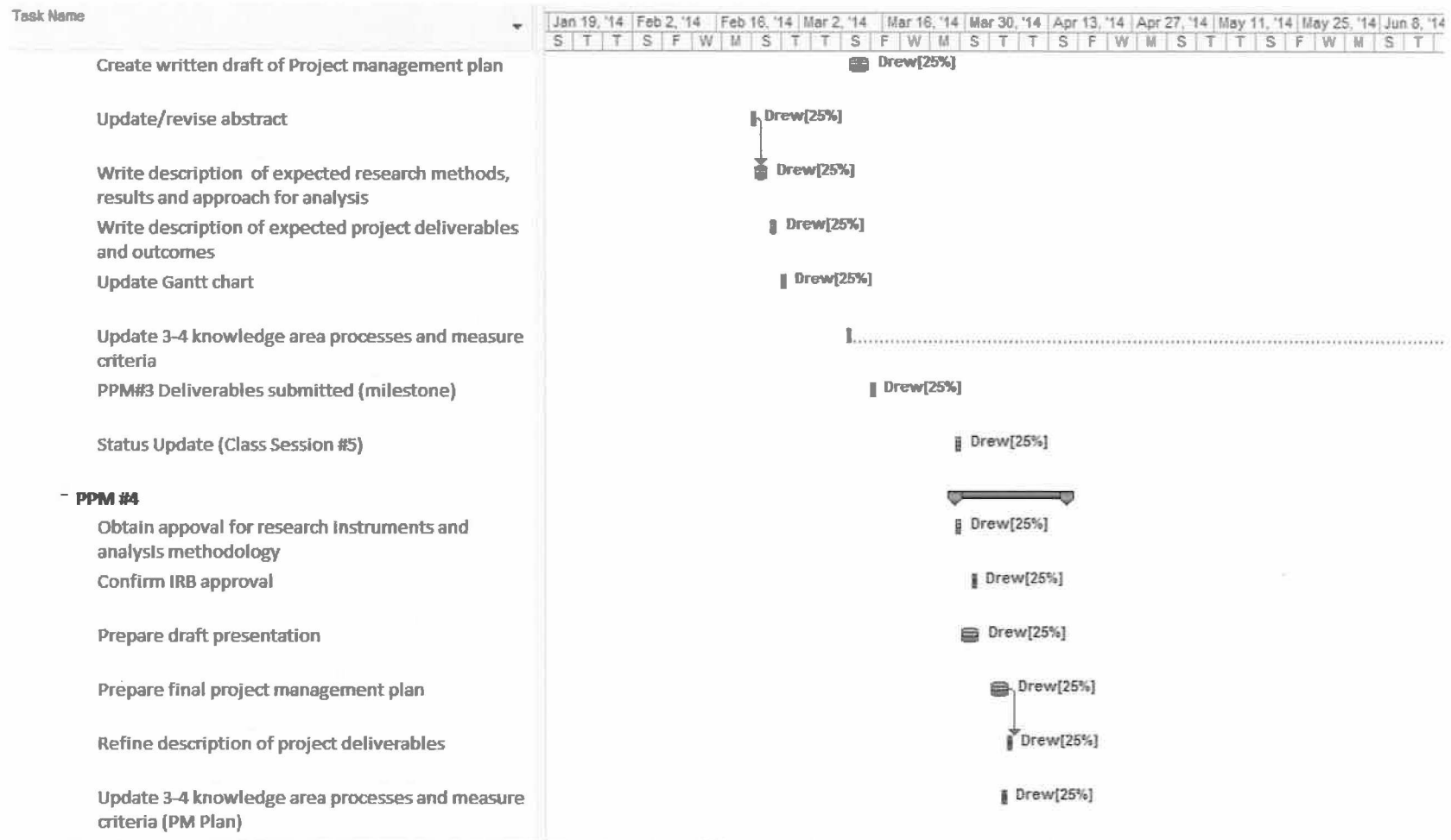
WBS	Task Name	% Complete	Duration	Start	Finish	Baseline Work	Work	Actual Work
1.2.7.1	Final presentaion submitted	100%	0.25 days	Mon 12/1/14	Mon 12/1/14	0.5 hrs	0.5 hrs	0.5 hrs
1.2.7.2	Project Plan final oral presentation (milestone)	100%	2 days	Tue 12/2/14	Wed 12/3/14	8 hrs	4 hrs	4 hrs
1.2.8	- Submission of final PM686B deliverables	100%	1.25 days	Fri 12/5/14	Mon 12/8/14	19 hrs	11 hrs	11 hrs
1.2.8.1	Prepare final report	100%	1 day	Fri 12/5/14	Fri 12/5/14	2 hrs	2 hrs	2 hrs
1.2.8.2	Refine project research, deliverables and outcomes	100%	1 day	Fri 12/5/14	Fri 12/5/14	2 hrs	2 hrs	2 hrs
1.2.8.3	Include final presentation slides	100%	0.5 days	Fri 12/5/14	Fri 12/5/14	1 hr	1 hr	1 hr
1.2.8.4	Create summary of project lessons learned	100%	0.75 days	Fri 12/5/14	Fri 12/5/14	1.5 hrs	1.5 hrs	1.5 hrs
1.2.8.5	Create descriptive narrative of knowledge areas and measures	100%	0.75 days	Fri 12/5/14	Fri 12/5/14	1.5 hrs	1.5 hrs	1.5 hrs
1.2.8.6	Submit final PM686B deliverables (milestone)	100%	0.25 days	Mon 12/8/14	Mon 12/8/14	0.5 hrs	0.5 hrs	0.5 hrs
1.2.9	- Project Closeout	100%	14 days	Fri 12/12/14	Wed 12/31/14	31.5 hrs	31.5 hrs	31.5 hrs
1.2.9.1	Initiate project closeout plan	100%	0.5 days	Fri 12/12/14	Fri 12/12/14	1 hr	1 hr	1 hr
1.2.9.2	Deliver Rental Property Acquisition Plan to to Crystal River Properties and other small proprty management businesses	100%	0.25 days	Thu 12/18/14	Thu 12/18/14	0.5 hrs	0.5 hrs	0.5 hrs
1.2.9.3	Complete project closeout (milestone) NLT 12/31/14	100%	1 day	Wed 12/31/14	Wed 12/31/14	2 hrs	2 hrs	2 hrs

Rental Property Acquisition Guide

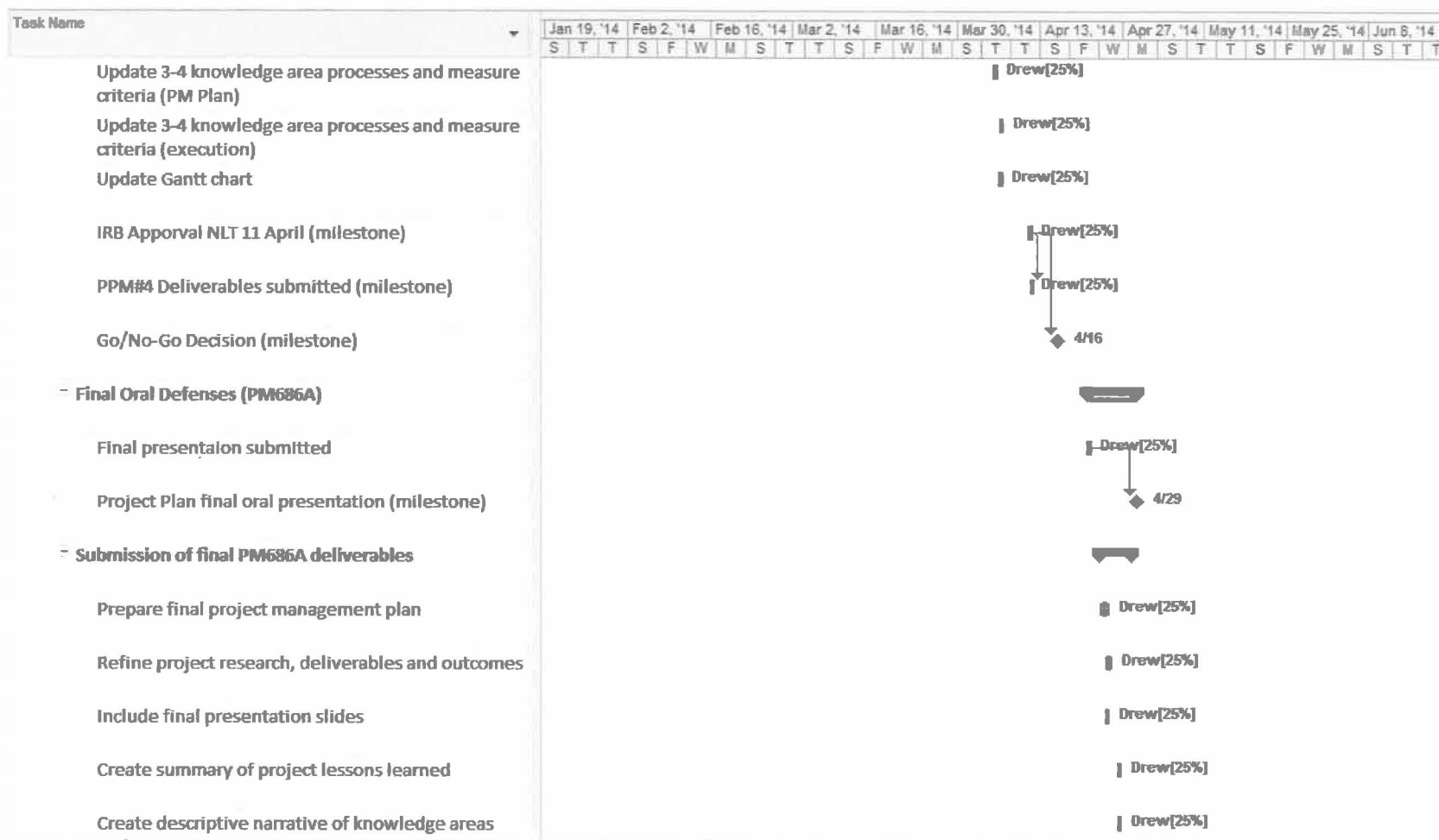
Gantt Chart



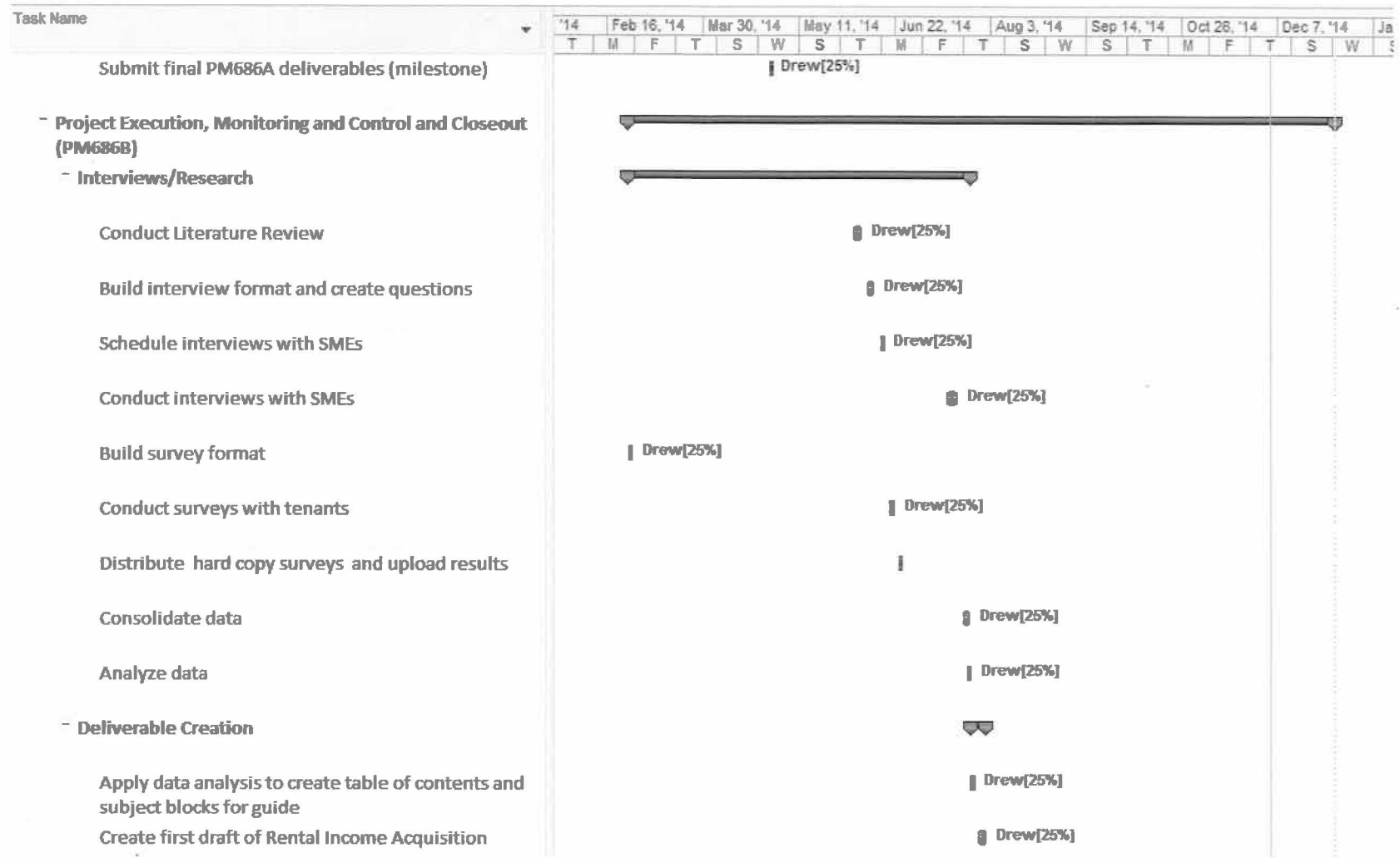
Rental Property Acquisition Guide



Rental Property Acquisition Guide



Rental Property Acquisition Guide



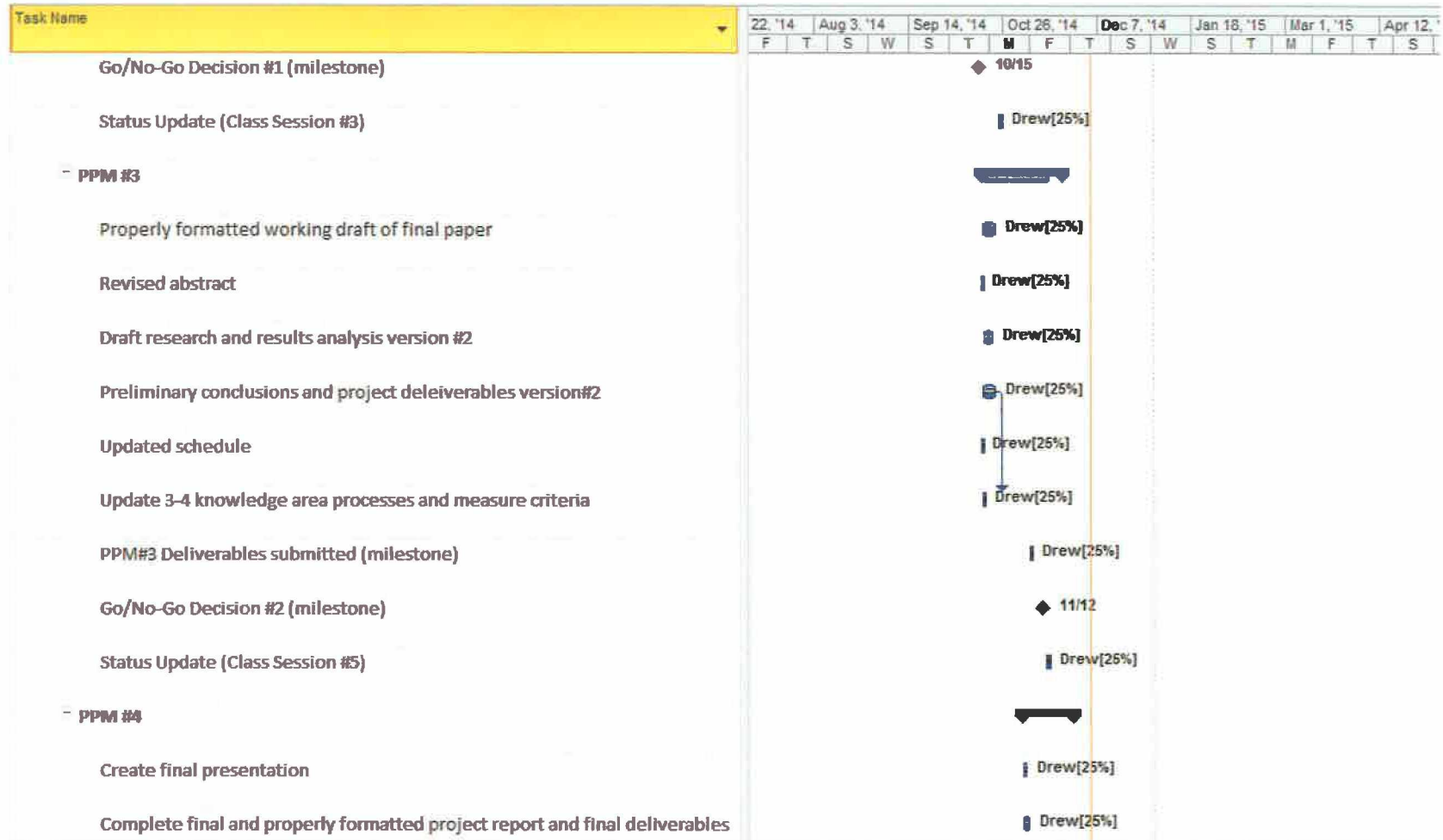
Rental Property Acquisition Guide

Task Name	22, '14	Aug 3, '14	Sep 14, '14	Oct 26, '14	Dec 7, '14	Jan 18, '15	Mar 1, '15	
	F	T	S	W	S	T	M	F
Create first draft of Rental Income Acquisition Guide								
PPM #1								
Develop Change Control process								
Project Management Plan Updates								
Update Requirements Traceability Matrix								
Update WBS								
Update Gantt Chart								
Update Risk Register								
Status update (Class Session #1)								
Implement risk response plan								
Provide project deliverable status update								
Update 3-4 knowledge area processes and measure criteria								
Turn in Final GSP directly to staff								
Complete student/advisory committee "expectations contract"								
PPM#1 Deliverables submitted (milestone)								
Status Update (Class Session #2)								

Rental Property Acquisition Guide

Task Name	22, '14	Aug 3, '14	Sep 14, '14	Oct 26, '14	Dec 7, '14	Jan 18, '15	Mar 1, '15	Apr 12, '15									
	F	T	S	W	S	T	M	F	T	S	W	S	T	M	F	T	S
PPM #2																	
Updated abstract																	
Updated table of contents																	
Updated resources and key words																	
Validated research analysis																	
Project EVM update status																	
Update 3-4 knowledge area processes and measure criteria																	
Project Management Plan Updates																	
Update Requirements Traceability Matrix																	
Update WBS																	
Update schedule/Gantt Chart																	
Update Risk Register																	
Risk response implementation updates																	
Provide project deliverable status update																	
PPM#2 Deliverables submitted (milestone)																	

Rental Property Acquisition Guide

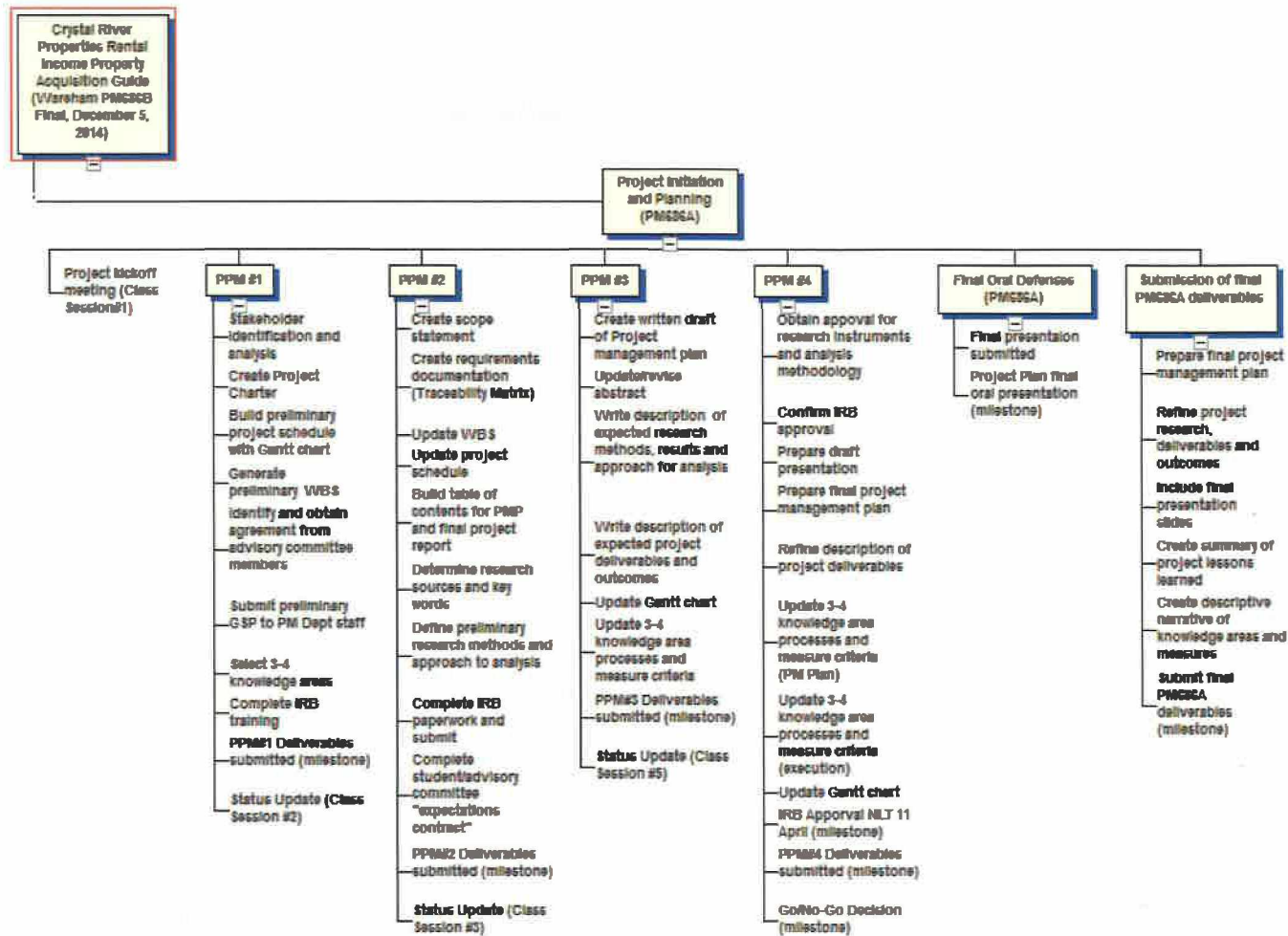


Rental Property Acquisition Guide

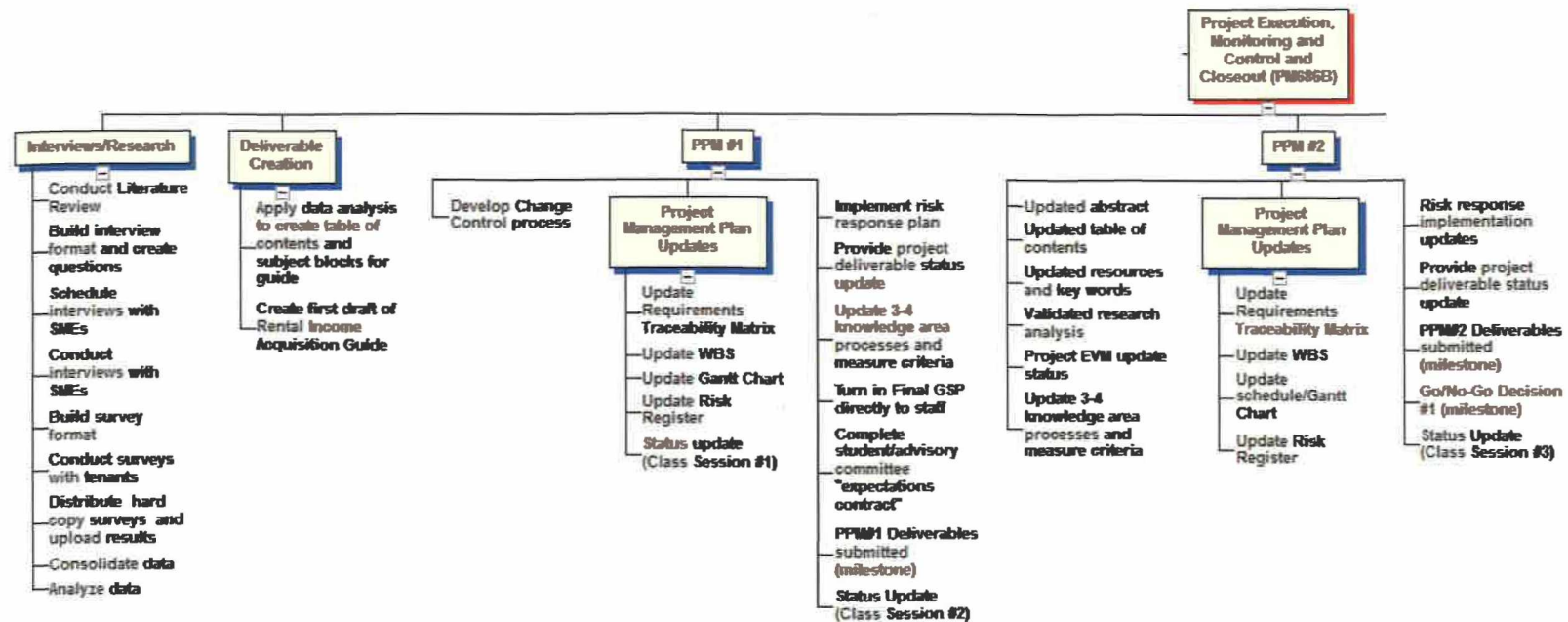
Task Name	22, '14	Aug 3, '14	Sep 14, '14	Oct 26, '14	Dec 7, '14	Jan 18, '15	Mar							
	F	T	S	W	S	T	M	F	T	S	W	S	T	M
Final Oral Defenses (PM686B)														
Final presentaion submitted														
Project Plan final oral presentation (milestone)														
Submission of final PM686B deliverables														
Prepare final report														
Refine project research, deliverables and outcomes														
Include final presentation slides														
Create summary of project lessons learned														
Create descriptive narrative of knowledge areas and measures														
Submit final PM686B deliverables (milestone)														
Project Closeout														
Initiate project closeout plan														
Deliver Rental Property Acquisition Plan to to Crystal River Properties and other small proprty management businesses														
Complete project closeout (milestone) NLT 12/31/14														

Rental Property Acquisition Guide

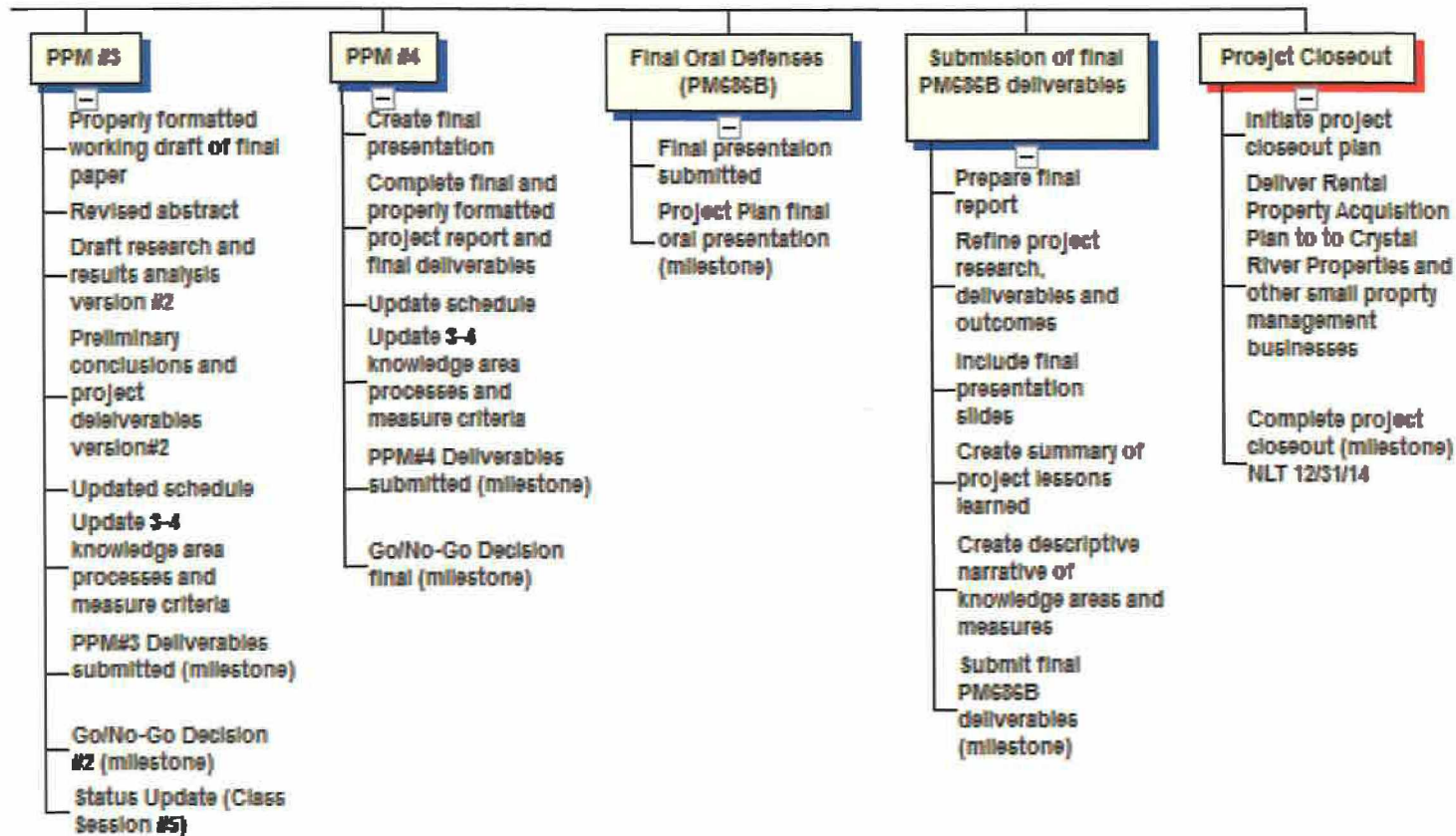
Work Breakdown Structure



Rental Property Acquisition Guide



Rental Property Acquisition Guide



Change Management Plan

Change Management Process

It is the responsibility of the project manager to ensure that all of the work described in the WBS is performed and that deliverables are generated for each WBS element. In addition, all of the work and only work that is described in the WBS will be performed.

Changes can be considered major or minor. A minor change is one that does not have significant impact on the scope of the project, and does not affect the topic being researched or the final deliverables of the project. Minor changes can be accepted and incorporated at the sole discretion of the project manager.

If a major change to the project scope is necessary, the project manager, sponsor, or member of the advisory committee may submit change requests. The rationale or the justification and the impact of the change will be submitted to the Change Control Board in the form of a project change request document (see template below). The Change Control Board will review the suggested change and either deny or approve the change. If the change is approved, the project manager will record the change in the change log, and then update the project documentation including scope, schedule, and WBS.

The change control board membership will include the project manager and sponsor.

Rental Property Acquisition Guide

Change Request Template

Project Title: Rental Property Acquisition Guide **Date Prepared:** _____

Person Requesting Change: _____ **Change Number:** _____

Category of Change:

- | | | |
|--------------------------------|-----------------------------------|---------------------------------------|
| <input type="checkbox"/> Scope | <input type="checkbox"/> Quality | <input type="checkbox"/> Requirements |
| <input type="checkbox"/> Cost | <input type="checkbox"/> Schedule | <input type="checkbox"/> Documents |

Detailed Description of Proposed Change:

Justification for Proposed Change:

Impacts of Change:

Scope	<input type="checkbox"/> Increase	<input type="checkbox"/> Decrease	<input type="checkbox"/> Modify
Description:			
Quality	<input type="checkbox"/> Increase	<input type="checkbox"/> Decrease	<input type="checkbox"/> Modify
Description:			
Requirements	<input type="checkbox"/> Increase	<input type="checkbox"/> Decrease	<input type="checkbox"/> Modify
Description:			
Cost	<input type="checkbox"/> Increase	<input type="checkbox"/> Decrease	<input type="checkbox"/> Modify
Description:			
Schedule	<input type="checkbox"/> Increase	<input type="checkbox"/> Decrease	<input type="checkbox"/> Modify

Rental Property Acquisition Guide

Description:

Project Documents

Comments:

Disposition

☐

Approve

☐

Defer

☐

Reject

Justification:

Change Control Board Signatures:

Name	Role	Signature
Cathy Wareham	Sponsor	
Andre Wareham	Project Manager	

Date:

Change Log

Change ID	Category	Description of Change	Submitted by	Submission Date	Status	Disposition
CH1	Scope	Included small property management businesses on Rental Income Priority Acquisition Guide distribution list	Andrew Wareham	3/9/2014	Approved/ Incorporated	Complete/ Closed
CH2	Schedule	Realization of R6 on the risk register requiring only small adjustments to the project schedule to accommodate times and schedules of SMEs to conduct interviews. No impact to the project scope was noted	Andrew Wareham	6/19/14	Approved/ Incorporated	Complete/ Closed
CH3	Scope WBS	Realization of R8 requiring incorporation of additional work package encompassing delivery of hard copy surveys and manually inputting results into Qualtrics system for analysis.	Andrew Wareham	7/22/14	Approved/ Incorporated	Complete/ Closed

Risk Management Plan

Risk Management Approach

A risk is an event or condition that, if it occurs, could have a positive or negative effect on a project's objectives. Risk Management is the process of identifying, assessing, responding to, monitoring, and reporting risks. This Risk Management Plan defines how risks associated with the Rental Property Acquisition Guide project will be identified, analyzed, and managed. It outlines how risk management activities will be performed, recorded, and monitored throughout the lifecycle of the project and provides templates and practices for recording and prioritizing risks. The purpose of this Risk Management Plan (RMP) is to describe the methodology for identifying, tracking, mitigating, and ultimately closure of the Rental Property Acquisition Guide project risks.

The Risk Management Plan will be monitored and updated throughout the project. The project manager working with the project sponsor will ensure that risks are actively identified, analyzed, and managed throughout the life of the project. Risks will be identified as early as possible in the project so as to minimize their impact. The steps for accomplishing this are outlined in the following sections. The project manager will serve as the Risk Manager for this project.

Risk Identification

Risk identification will involve the project team, appropriate stakeholders, and will include an evaluation of environmental factors and the project management plan including the project scope. Careful attention will be given to the project deliverables, assumptions, constraints, WBS, resource effort estimates and other key project documents.

Risk Analysis

All risks identified will be assessed to identify the range of possible project outcomes. Qualification will be used to determine which risks are the top risks to pursue and respond to and which risks can be ignored.

Qualitative Risk Analysis

The probability and impact of occurrence for each identified risk will be assessed by the project manager, with input from the project team using the following approach:

Probability

- High – Greater than 70% probability of occurrence
- Medium – Between 30% and 70% probability of occurrence
- Low – Below 30% probability of occurrence

Impact

- High: Risk that has the potential to greatly impact project cost, project schedule or performance
- Medium: Risk that has the potential to slightly impact project cost, project schedule or performance
- Low: Risk that has relatively little impact on cost, schedule or performance

Quantitative Risk Analysis

Analysis of risk events that have been prioritized using the qualitative risk analysis process and their effect on project activities will be estimated, a numerical rating applied to each risk based on this analysis, and then documented in this section of the risk management plan.

Risk Monitoring, Controlling, and Reporting

The level of risk on the project will be tracked, monitored and reported throughout the project lifecycle.

Any risks realized during the project will be reported as a component of the project status reporting process for this project.

All project change requests will be analyzed for their possible impact to the project risks.

The Sponsor and Student advisory committee will be notified of any important changes to risk status via project communication matrix.

Risk Response Plan

Risk Response Planning for this project will be as follows:

Each major risk (those falling in the Red & Yellow zones) will be monitored to ensure that the risk will not “fall through the cracks”.

For each major risk, one of the following approaches will be selected to address it:

- **Avoid:** eliminate the threat by eliminating the cause
- **Mitigate:** Identify ways to reduce the probability or the impact of the risk
- **Accept:** Nothing will be done
- **Transfer:** Make another party responsible for the risk (buy insurance, outsourcing, etc.)

For each risk that will be mitigated, the project manager will identify ways to prevent the risk from occurring or reduce its impact or probability of occurring (see risk register). This may include adding tasks to the project schedule, adding resources, etc. For each major risk that is to be mitigated or that is accepted, a course of action will be outlined in the event that the risk does materialize in order to minimize its impact.

Risk Register

Risk ID #	Risk Description	WBS	Probability <i>1 = Low</i> <i>2 = Medium</i> <i>3 = High</i>	Impact <i>1 = Low</i> <i>2 = Medium</i> <i>3 = High</i>	Priority Probability X Impact	Mitigation Plan	Response Plan
R1	Project Manager does not meet set deadlines.	1.1.1-1.17, 1.21-1.1.9	2	3	6	Build in “buffer” resource time into schedule to ensure deadlines are met.	Crash Schedule and add resources (PM effort) to meet schedule deadlines.
R2	Project manager’s main job overwhelms ability to complete project upon return from fall hunting trip.	1.1.1-1.17, 1.21-1.1.9	2	3	6	Adjust time availability after work hours and on weekends to accommodate schedule and workload.	Add resources (PM effort) as required to meet schedule deadlines.
R3	Project does not make it past “Go/No-Go” Checkpoints.	1.1.5.11	1	3	3	Ensure deliverables are complete, turned in on time and of professional quality.	Incorporate advisory committee guidance and recommendations into future deliverables. If project is “No-Go, work with advisory committee for deferent to next semester.
R4	Sponsor no longer supports project.	1.1.2.2	1	1	1	Keep sponsor informed reiterate the importance of the scope of the project and how it will benefit the organization.	Adjust scope as required and continue to execute project management plan without sponsor support.
R5	IRB approval not complete by deadline.	1.1.5.9	2	3	6	Complete IRB required training early. Submit research deliverables to advisory committee as early as possible for approval.	Work with advisory committee for alternative arrangement, or consider deferment to next semester.
R6	Research data subject’s availability impacts schedule deadlines.	1.2.1.3, 1.2.1.4	1	2	2	Ensure appropriate amount of time is allotted to perform interviews. Have alternate candidates for subjects to interview Schedule interviews in advance.	Conduct interviews as early as possible during the summer break and adjust schedule to account for delays.

Rental Property Acquisition Guide

Risk ID #	Risk Description	WBS	Probability <i>1 = Low</i> <i>2 = Medium</i> <i>3 = High</i>	Impact <i>1 = Low</i> <i>2 = Medium</i> <i>3 = High</i>	Priority Probability X Impact	Mitigation Plan	Response Plan
R7	Sufficient data not available for accurate research conclusions.	1.2.1.7, 1.2.1.8	2	3	6	Ensure availability of data prior to project execution by researching consortium library for existing data and identifying subject matter experts.	Change the scope of the project (final deliverable) to reflect collected data analysis results.
R8	Research subjects do not complete surveys in specified time	1.2.1.7, 1.2.1.8	2	2	4	Ensure ample time for subjects to complete survey by the most convenient method	Print and hand deliver hard copy surveys requesting immediate completion on site
R9	Real-estate market conditions change requiring significant scope change.	1.1.3.1, 1.2.1.8	1	3	3	Monitor current market conditions closely and be ready to react to large changes	Adjust scope of project to include current market conditions. If changes are too drastic, consider cancelation of project
R10	Economy and interest rates change resulting in required scope changes.	1.1.3.1, 1.2.1.8, 1.2.9.2	1	3	3	Monitor current economic indices and market interest rate trends and be ready to react to significant changes.	Adjust scope of project to include current economic conditions. If changes are too drastic, consider cancelation of project

Risks that fall within the RED and YELLOW zones will have risk response planning which may include both risk mitigation and risk contingency plans.

Risk Priority Matrix				
Probability	3			
	2		R8	R1, R2, R5, R7
	1	R4	R6	R3, R9, R10
		1	2	3
Impact				

Metrics Management Plan

Critical Success Factors

This project will be considered successful:

- If PPM deliverable requirements are met on schedule.
- When the Rental Property Acquisition Guide final deliverable has been completed, presented and made available to sponsor and other small rental income property businesses.

Key Performance Indicators (KPIs)

KPIs associated with this project:

- Schedule Performance Index (SPI)
- Work Performance Index (WPI)

Control Thresholds

Metric	Data	Frequency	Threshold	Control
SPI	Earned Value and Planned Value	Metric will be measured at each status reporting date	Upper limit: 1.1 Lower limit 0.9	If lower limit is reached, crash schedule and re-evaluate scope of project. If upper limit is reached, re-evaluate if scope of project is enough to fulfill requirements of project purpose.
WPI	Actual work and Planned work based on using the CPI function in MS Project and assigning one resource at \$1 per hour	Metric will be measured at each status reporting date	Upper limit: 1.2 Lower limit 0.8	If lower limit is reached, crash work schedule by increasing percentage of work assigned to resource to complete task. If upper limit is reached, re-evaluate scope of project to determine if additional requirements should be added to project.

Cost Management Plan

There will be no cost management plan included in this project management plan because there are no costs or budget associated with researching and developing the Rental Income Acquisition Guide. However, costs would be a significant consideration if the final deliverable went into actual publication.

Rental Property Acquisition Guide

Quality Management Plan

A quality management plan is not being included in the project management plan. However, quality would be a large consideration if the Rental Income Property Acquisition Guide went into actual publication.

Human Resource Management Plan

A human resources management plan will not being included in the project management plan as there will be no resources associated with the research project other than the project manager. However, human resources would be a consideration if the Rental Income Property Acquisition Guide went into actual publication.

Procurement Management Plan

A procurement management plan will not be included in the project management plan as there will be no procurement associated with the project. However, there would be procurement considerations associated with the actual publication of the Rental Income Property Acquisition Guide.

Closeout Plan

The project manager will complete the final project report. The formal acceptance by the project sponsor of this report will signify the completion of the project. The final report will include the following information:

Key Resources

List the key resources for the project. Include those that did the majority of work and the Student Advisory Committee. Project manager: Andrew Wareham. Advisory committee: Roger Hull, LuAnn Piccard and Dr. Seong Dae Kim.

Performance and Change Data

Project Start Date: January 14, 2014

Projected Finish Date: December 8, 2014

Actual Finish Date: TBD

Objectives and Measurements

Revisit the main objectives of the project and measure them for success.

The primary objective of the project was to provide the management of Crystal River Properties and other small rental property businesses with a usable guide to ensure acquisition of additional company assets in the most economically feasible manner. Project Business Goals included equipping company decision makers with the requisite tools to make sound property acquisition final decisions, minimizing the company's exposure financial to risk, providing a means to increase company revenue and safely expand business and enable the company to gain the highest return on investment for business owned real property assets.

This project was considered a success on multiple counts. First, it met the requirements set forth in the scope of the project and the final deliverable was delivered to the project sponsor by the established deadline. Second, it will be made available to other small company owners engaging in similar business activities and will hopefully help them to make informed decisions when buying rental income properties. And finally, the project served as the project manager's final step in completing the requirements for the University of Alaska's, Master of Science in Project Management graduate degree curriculum.

Lessons Learned

Project Strengths: Great learning experience and provided a useful tool to the company and others interested in rental income property acquisition.

Project Weaknesses: Having only one resource required significant effort on the part of the PM to maintain project performance through WPI

Rental Property Acquisition Guide

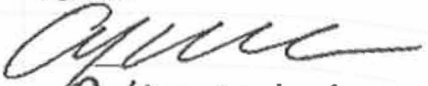
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Project Documentation

Include the key documentation was produced by the project and where it is located.

Project Management Plan, project reports (PM686A & PM686B), project presentations (PM686A & 686B), project deliverable (Rental Property Acquisition Guide), research methods, and project schedule. All documents on file at Crystal River Properties. Electronic and hard copies on file at UAA Project Management department

Project Final Acceptance Signatures

Approver Name	Title	Signature	Date
Andrew Wareham	Owner/Project Manager		11/20/2014
Cathy Wareham	Project Sponsor		11/20/2014

Appendices

Appendix A - Project Abstract

Crystal River Properties is a privately owned small business started in 2011 whose sole revenue stream relies upon rental income from company owned small multifamily (duplex and triplex) real property assets. In order for the business to expand, additional properties need to be acquired in order to increase revenue.

Current real-estate market conditions make it financially impractical to purchase new construction properties. The most feasible alternative is to consider pre-existing properties which, if not done correctly, could expose the company to considerable financial risk.

This project will research and identify methods to select prospective existing rental income properties with the greatest potential for maximum, sustainable net income based on operations and maintenance costs, marginal revenue, turnover rate and vacancy rates. The underlying objectives will be used to best meet the expectations of the potential occupant segment of stakeholders. Assessment criteria will be based upon price (anticipated return on investment), location, size, age, type of construction, property condition (recent renovations), insurance and tax rates, lessons learned from past property procurements and risk analysis considerations. Consolidated results of gathered information and research will be packaged into a step-by-step user guide for income property acquisition. The guide will be available in electronic PDF and hard copy format.

The methodology depicted in the guide will enable a thorough evaluation of property selection alternatives against likely risks and key success criteria providing the tools necessary to acquire additional business assets in the most economical fashion while simultaneously exposing the company to the least amount of financial risk.

Appendix B - Project Charter

PROJECT CHARTER

Crystal River Properties **Rental Property Acquisition Guide**

VERSION: 3

REVISION DATE: 3/05/2014

AW
CW

Approval of the Project Charter indicates an understanding of the purpose and content described in this document. By signing this document, each individual agrees work should be initiated on this project and necessary resources should be committed as described herein.

Approver Name	Title	Signature	Date
Andrew Wareham	Owner/Project Manager		1/28/2014
Cathy Wareham	Project Sponsor		1/28/2014

Rental Property Acquisition Guide

Crystal River Properties
Rental Property Acquisition Guide

PROJECT CHARTER
Version 3; 3/05/2014

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Rental Property Acquisition Guide

Section 1. Project Overview

1.1 Problem Statement

Crystal River Properties is a privately owned small business started in 2011 whose sole revenue stream relies upon rental income from company owned small multifamily (duplex and triplex) real property assets. In order for the business to expand, additional properties must be acquired to increase revenue. Purchasing the wrong property could be devastating to the financial health of the company if not done in the proper fashion.

1.2 Project Description

This project will encompass production of a step by step, user friendly, income property acquisition guide (MS Word document, PDF or hard copy) based upon research and lessons learned from prior property acquisitions.

1.3 Project Goals and Objectives

Provide management with a usable guide to ensure acquisition of company assets in the most economically feasible manner. Make guide available to other similarly sized rental property businesses.

Project Business Goals include:

- Equipping company decision makers with the requisite tools make sound property acquisition final decisions.
- Minimizing company's exposure financial to risk.
- Providing a means to increase company revenue and safely expand business.
- Enabling Company to gain highest return on investment for business owned real property assets.

1.4 Project Scope

Project Includes

Research and identification of systematic selection criteria for evaluating and acquiring rental income properties packaged into a step-by-step user guide for income property acquisition. Assessment criteria will be based upon price (anticipated return on investment), location, size, age, type of construction, property condition (recent renovations), insurance and tax rates, lessons learned from past property procurements and risk analysis considerations.

Rental Property Acquisition Guide

Project Excludes

Actual real-estate market research for the purposes of placing offer to purchase and acquisition of additional income properties.

1.5 Critical Success Factors

This project will be considered successful:

- If PPM deliverable requirements are met on schedule.
- When the Rental Property Acquisition Guide final deliverable has been completed, presented and made available to sponsor and other small rental income property businesses.

1.6 Assumptions

Assumptions for this project include:

- Ample data sets will be available for research.
- Local real-estate market conditions will remain essentially unchanged.
- Economy and rental market will remain stable over the course of the project.

1.7 Constraints

Constraints for this project include:

- There are no monetary resources allocated for this project.
- This project must be completed no later than 31 December 2014.
- Project Manager is the sole resource for this project.

1.8 Project Risks

Internal:

- Project Manager does not meet set deadlines.
- Project manager's main job overwhelms ability to complete project.
- Project does not make it past "Go/No-Go stage."
- Sponsor no longer supports project.

External:

- IRB approval not complete by deadline.
- Research data subject's availability impact's schedule deadlines.
- Sufficient data not available for accurate research conclusions.
- Real-estate market conditions change requiring significant scope change.
- Economy and interest rates change resulting in required scope changes.

Rental Property Acquisition Guide

Crystal River Properties
Rental Property Acquisition Guide

PROJECT CHARTER
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Section 2. Project Authority and Milestones

2.1 Funding Authority

This project has no budget. Owner/project manager has agreed to provide project management expertise and rental property acquisition research and knowledge at no cost to Crystal River properties.

2.2 Project Oversight Authority

Project management control over this project will be at the sole discretion of the project manager, Andrew Wareham, with inputs from the PM686 Advisory committee and project Sponsor Cathy Wareham.

2.3 Major Project Milestones

Project's major milestones, deliverables and target dates for delivery, are listed below.

Milestone/Deliverable	Target Date
PM 686A Project Performance Milestone (PPM) #1	31 January 2014
PM 686A Project Performance Milestone (PPM) #2	21 February 2014
PM 686A Project Performance Milestone (PPM) #3	14 March 2014
PM 686A Project Performance Milestone (PPM) #4	11 April 2014
PM 686A "Go/No-go" Decision	16 April 2014
PM 686A Present Final Oral Defense	21-22 April 2014
PM 686A Final Deliverable Submission	28 April 2014
PM 686B Project Performance Milestone (PPM) #1-#4	TBD September - December 2014
PM686B Final Capstone Project Presentation	TBD December 2014
PM686B Final Capstone Deliverable Submission	TBD December 2014

Rental Property Acquisition Guide

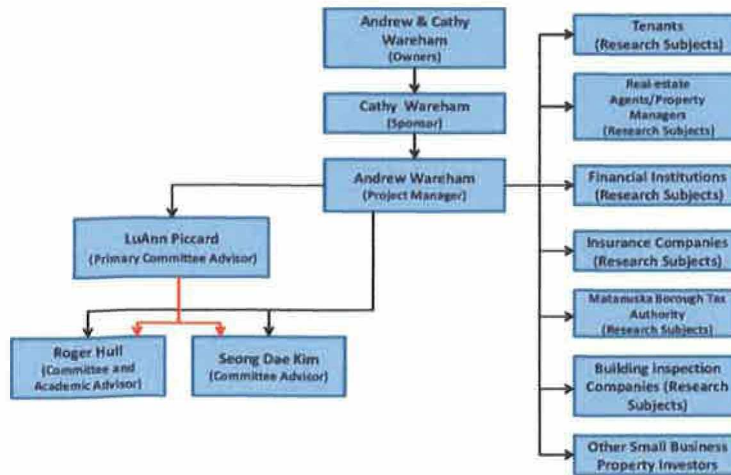
Crystal River Properties
Rental Property Acquisition Guide

PROJECT CHARTER
Version 3. 3/05/2014

Section 3. Project Organization

3.1 Project Structure

Crystal River Properties Income Property Acquisition Guide Project Structure



Rental Property Acquisition Guide

3.2 Roles and Responsibilities

Roles and responsibilities summary for the project team and stakeholders identified in the project structure above:

Role	Responsibility
Project Sponsor (Cathy Wareham)	Provide sponsorship support
Project Manager (Andrew Wareham)	Manage the project and produce required deliverables
Primary Committee Advisor (LuAnn Piccard)	Project management guidance and support
Committee Advisor and Academic Advisor (Roger Hull)	Project management guidance and Academic support
Committee Advisor (Seong Dae Kim)	Project management guidance and support
Tenants	Provide Voluntary Research Data
Real-estate Agents	Provide Voluntary Research Data
Financial Institutions	Provide Voluntary Research Data
Insurance Providers	Provide Voluntary Research Data

3.3 Responsibility Matrix

Complete the responsibility matrix for each of the project roles. As a graphical depiction of a more detailed perspective of responsibilities, the matrix should reflect by functional role the assigned responsibility for key milestones and activities.

Major Milestone	Project Sponsor	Project Manager	Advisory Committee	Tenants	Real-estate Agents	Financial Institutions	Insurance Companies
PM 686A Project Performance Milestone (PPM) #1	I, C	R	A				
PM 686A Project Performance Milestone (PPM) #2	I, C	R	A	C	C	C	C
PM 686A Project Performance Milestone (PPM) #3	I, C	R	A	C	C	C	C
PM 686A Project Performance Milestone (PPM) #4	I, C	R	A				
PM 686A 'Go/No-go' Decision	I	I	R				
PM 686A Present Final Oral Defense	I	R	A				
PM 686A Final Deliverable Submission	I	R	A				
PM 686B Project Performance Milestone (PPM) #1-#4	I, C	R	A	C	C	C	C
PM686B Final Capstone Project Presentation	I	R	A				
PM686B Final Capstone Deliverable Submission	I, A	R	A				

Rental Property Acquisition Guide

Crystal River Properties
Rental Property Acquisition Guide

PROJECT CHARTER
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Major Milestone	Project Sponsor	Project Manager	Advisory Committee	Tenants	Real-estate Agents	Financial Institutions	Insurance Companies
Legend R = responsible for execution (may be shared) A = final approval for authority C = must be consulted I = Informed							

3.4 Project Facilities and Resources

Describe the project's requirements for facilities and resources, such as office space, special facilities, computer equipment, office equipment, and support tools. Identify responsibilities for provisioning the specific items needed to support the project development environment.

Resource Requirement	Responsibility
Office Space	Andrew Wareham
Laptop Computer	Andrew Wareham
Printer access	Andrew Wareham
CD Rom Media disc for submittal of final project deliverables	Andrew Wareham
Internet connection	Andrew Wareham
Presentation facility/classroom for final presentation of project deliverables	UAA Admin Team

Rental Property Acquisition Guide

Crystal River Properties
Rental Property Acquisition Guide

PROJECT CHARTER
Version 3; 3/05/2014

Section 4. Points of Contact

Identify and provide contact information for the primary and secondary contacts for the project.

Role	Name/Title/Organization	Phone	Email
Project Manager	Andrew Wareham/Crystal River Properties	907-982-2740	awareham@alaska.edu
Sponsor	Cathy Wareham/Crystal River Properties	907-864-0991	warehamaj@yahoo.com
Academic Advisor	Roger Hull/Advisory/committee member, professor, UAA	907-786-1923	rkhull@uaa.alaska.edu
Primary Committee Advisor	Luann Piccard/Dept Chair MSPM, professor, UAA	907-786-1917	Lpiccard2@uaa.alaska.edu
Committee Advisor	Seong Dae Kim/committee member, professor, UAA	907-786-1922	sdkim2@uas.alaska.edu

Rental Property Acquisition Guide

Crystal River Properties
Rental Property Acquisition Guide

PROJECT CHARTER
Version 3; 3/05/2014

Section 5. Revision History

Identify document changes

Version	Date	Name	Description
1.0	1/28/2014	Andrew Wareham	Original Charter
2.0	2/17/2014	Andrew Wareham	Update from PPM#1
3.0	3/05/2014	Andrew Wareham	Update from PPM#2

Appendix C - Research

Research Methods

- In order to gather the necessary data to determine the assessment criteria and content of the Rental Property Acquisition Guide, The project manager (Andrew Wareham) has conducted interviews with subject matter experts over the summer break.
- In addition, the project manager distributed and collected paper surveys with existing and potential tenants to determine end user stakeholder needs identification. Twenty surveys were distributed and seventeen were completed resulting in an 85% response rate.
- The project manager is conducting an ongoing review of literature to analyze any existing information available on rental property acquisition at the macro level as well as in particular to the Palmer/Wasilla geographical areas within the Matanuska Valley.

Results

- Expected results from the research conducted for this project will be used to identify existing rental property acquisition business best practices as well un-documented practices from local subject matter interviews and surveys. Analysis of results will be incorporated into the final deliverable document.

Approach to Analysis

- The data collected from the interviews, surveys and literature review will be used to identify prospective rental income properties with the greatest potential for maximum, sustainable net income based on operations and maintenance costs, marginal revenue, turnover rate and vacancy rates. The underlying objectives will be used to best meet the expectations of the potential occupant segment of stakeholders.

Research Sources

- The project manager is in the process of gathering data from academic journals and accredited publications through the University of Alaska Consortium Library. Subject matter expert interviews were completed over the summer break.

Keywords

- Rental Property, Triplex, Duplex, Income Property, Multi-Family, Investment, Tenant, Real-Estate, Stakeholder Management, Communication Management, Tenant Survey, Property Management, Step-by-Step guide, Selection Criteria, Business Assets, Tools, Risk Management, Finance, Return on Investment (ROI), Lessons Learned, Systemic Evaluation, Property Selection, Small business.

Rental Property Acquisition Guide

Advisor Approval & Signature

Name: Roger Hull Signature:  Date: 3 October 2014

Rental Property Acquisition Guide

Advisory Committee Research Methods Approval



Andrew Wareham <awareham@alaska.edu>

IRB Submission Documents

LuAnn Piccard <lpiccard2@uaa.alaska.edu>

Wed, Mar 19, 2014 at 5:02 AM

To: Roger K Hull <rk hull@uaa.alaska.edu>, Andrew Wareham <awareham@alaska.edu>

Cc: Seong Dae Kim <sd kim2@uaa.alaska.edu>

Hi,

Thank you for submitting your IRB docs for review and Roger for evaluating them, making corrections.

With those changes, I approve submittal to IRB.

Warm regards,

LuAnn Piccard, PMP

Director, Engineering Science and Project Management Department (ESPM)

School of Engineering

University of Alaska Anchorage

907-786-1917 (office)

970-443-1917 (cell)

lpiccard@uaa.alaska.edu

Rental Property Acquisition Guide

IRB Approval Exception Letter



Research &
Graduate Studies
UNIVERSITY of ALASKA ANCHORAGE

3211 Providence Drive
Anchorage, Alaska 99508-4614
T 907.786.1099, F 907.786.1791
www.uaa.alaska.edu/research/ric

DATE: March 25, 2014

TO: Andrew Wareham, MSPM
FROM: University of Alaska Anchorage IRB

PROJECT TITLE: [587162-2] Rental Property Acquisition Guide
SUBMISSION TYPE: Revision

ACTION: EXEMPT APPROVED
DECISION DATE: March 25, 2014

Your Institutional Review Board (IRB) proposal meets the U.S. Department of Health and Human Services requirements for the protection of human research subjects (45 CFR 46 as amended/revised) as being exempt from full Board review. In keeping with the usual policies and procedures of the IRB, your research project is approved with suggested revisions. Thank you for a copy of these revisions.

Therefore, you have permission to begin data collection for your study. If this study goes beyond one year from the date of this submission, you will need to submit a Progress Report for approval to continue the research and please submit a Final Report at the end of your project.

Please report promptly proposed changes in the research protocol for IRB review and approval.

On behalf of the Board, I wish to extend my best wishes for success in accomplishing the objectives of your study.

Sincerely,

A handwritten signature in black ink that reads 'Dianne M. Toebe'.

Dianne M. Toebe, PhD

Research Integrity & Compliance Officer

Interview Protocol and Questions

Interview Protocol Form

Rental Property Acquisition Guide

Date of Interview:

Organization:

Participant:

Interview Question Set:

- (A) Real-estate Agent/Property Manager Representative
- (B) Financial Institution Representative
- (C) Insurance Company Representative
- (D) Matanuska Borough Representative
- (E) Building Inspection Company Representative

Other Discussion:

References Discussed:

Rental Property Acquisition Guide

Additional Comments:

Introduction

You have been selected as a Subject Matter Expert to provide input for the Capstone Project I am currently documenting to satisfy requirements for courses at University of Alaska Anchorage. You have returned to me the consent form for this research, and I thank you for your willingness to share your expertise related to this research effort.

I plan to honor your time by managing this interview within the time allocated. In order to do so, I may at certain points have to cut our conversation short to move on to the remaining questions.

The project is focused on the following Problem Statement:

Crystal River Properties is a privately owned small business started in 2011 whose sole revenue stream relies upon rental income from company owned small multifamily (duplex and triplex) real property assets. In order for the business to expand additional properties must be acquired to increase revenue. Current real-estate market conditions make it financially impractical to purchase new properties. The most feasible alternative is to consider pre-existing properties, which if not done correctly, could expose the company to considerable financial risk.

This project will research and identify systematic selection criteria for evaluating and acquiring rental income properties and package it into a step by step user guide for income property acquisition. Assessment criteria will be based upon price (anticipated return on investment), location, size, age, type of construction, property condition (recent renovations), insurance and tax rates, lessons learned from past property procurements and risk analysis considerations.

The methodology depicted in the guide will enable a thorough evaluation of property selection alternatives against likely risks and key success criteria providing the tools necessary to acquire additional business assets in the most economical fashion while simultaneously exposing the company to the smallest amount of risk.

Question Set – Real-Estate Agent/Property Manager

What property style seems to have the best occupancy rates (i.e. duplex, triplex ,fourplex, one, two, or three bedrooms) ?

Is there a certain age limit to consider when considering the purchase of a rental income property?

Does there appear to be certain location/area where the occupancy rate and quality of tenants is best?

What is the average length of time a tenant occupies a rental property in the Matanuska Valley?

Which is the most common rental occupancy agreement (i.e. month to month, 6 month or one year lease)?

Is there a certain age limit of a structure to consider when considering the purchase of a rental income property?

How long does a typical rental unit stay vacant in the Matanuska Valley?

What should I look for in an income property to ensure an adequate occupancy rate?

Can you provide any additional advice for selecting a rental income investment property?

Rental Property Acquisition Guide

Question Set – Financial Institution Representative

1. What is the current market trend for mortgage rates, specifically on rental income investment properties?

What is the minimum down payment /equity required to purchase?

Does the size and number of units in a property affect the interest rates or type of loan vehicle available?

Does a potential property's age affect the interest rate or type of loan vehicle available?

Does a potential property's location affect the interest rate or type of loan vehicle available?

What types of financing options are available for purchasing investment properties (i.e. fixed, variable, HUD, Fannie Mae, owner occupied etc.)?

What types or repayment terms are available for investment properties (i.e. 15 year, 30 year) etc?

Is mortgage insurance an option for an investment property loan?

Can you provide any additional advice for selecting a rental income investment property?

Question Set – Insurance Company Representative

1. How important is the age of a property with respect to insurance rates?

What types of construction are most economically viable for insurance purposes?

Is it okay to have a fireplace or wood stove within the rental units? How does it affect rates?

If there is a garage is it better to be attached or detached? How does it affect rates?

Do the number of units increase insurance rates based on size duplex, triplex, fourplex etc.?

Would coverage include liability for pets owned by tenants?

Is it more costly to own a property located within city limits?

How close should a fire hydrant or fire station be to a rental property?

Can you provide any additional advice for selecting a rental income investment property?

Question Set – Matanuska Borough Representative

1. Are residential income properties taxed the same as other commercial properties?

What kinds of licenses are required to do business in the Matanuska Susitna Borough?

How do I determine which parts of the Borough have the lowest “MIL” rates for property taxes?

Does the Borough keep statistics on the safety of neighborhoods?

Does the borough keep records on crime rates and police activity in neighborhoods?

How do I find out what schools are zoned for a particular property or neighborhood?

Do you know if there are special tax rates associated with being inside the city limits of Palmer or Wasilla?

Do age, square footage and number of rental units have anything to do with the tax rate of a property?

Can you provide any additional advice for selecting a rental income investment property?

Question Set – Building Inspection Company Representative

1. What is the best type of construction for a rental income property?

Is there a certain age limit to consider when considering the purchase of a rental income property?

Would you recommend city water or private well?

Would you recommend city sewer or septic system?

What is the most reliable heating system? And how long can it be expected to last?

What is the best way to determine the overall condition of an existing property that is for sale?

Is there any way to determine remaining life expectancy of “big ticket items” on used properties such as roofing, septic system, heating system, etc.?

Can you think of any “tell tale signs” that would make you steer away from a potential property immediately such as visible mold, cracked or warped structures, etc.?

Can you provide any additional advice for selecting a rental income investment property?

Rental Property Acquisition Guide

Tenant Survey

Introduction

You have been selected, and are being asked to provide input, as a Subject Matter Expert for the Capstone Project conducting research on small real-estate rental properties in the Matanuska Valley conducted by Andrew Wareham to satisfy requirements for courses at University of Alaska, Anchorage.

Research is being conducted to gather ideas, validate utility, and support development of the following deliverable:

- Development and publication of a step-by- step guide describing best practices in acquiring rental income properties within the Matanuska Susitna Borough which will be based upon price (anticipated return on investment), location, size, age, type of construction, property condition (recent renovations), insurance and tax rates, lessons learned from past property procurements and risk analysis considerations.

Description

Your contribution to this research will consist of completing a brief online survey to gather preliminary information regarding what you feel are desirable characteristics of a rental property from a tenant's point of view. The survey should take no longer than 10 minutes of your time.

Consent for Participation

VOLUNTARY NATURE OF PARTICIPATION: Your participation in this study is voluntary. If you don't wish to participate, or would like to end your participation in this study, you may quit at any time.

CONFIDENTIALITY: Your name will not be attached to your interview responses. Your name and any other identifiers will be kept in a locked file that is only accessible to me. Any information from this study that is published will not identify you by name.

BENEFITS: There is no direct benefit to you from participating in this study and there are no known risks. Your selection of "I do Consent" represents your electronic signature and indicates that you:

1. are at least 18 years of age.
2. have read the information on this form.
3. have been given the opportunity to ask questions and they have been answered to your satisfaction.
4. have decided to participate based on the information provided on this form.

Your signature on this consent form indicates that you fully understand the above study, what is being asked of you in this study, and that you are signing this voluntarily.

Please ask any questions you may have now or during the survey. The researcher is Andrew Wareham. You may contact Andrew Wareham at warehamaj@msn.com or by phone at 907-982-2740.

If you have any questions about your rights as a participant in this research, contact Dr. Dianne Toebe, Integrity and Compliance Officer, at UAA Office of Research and Graduate Studies at 907-786-1099.

☐ I do consent

☐ I do NOT consent

Rental Property Acquisition Guide

As a renter, what type of building configuration do you most prefer?

- ☐ 2 Unit Duplex
 - ☒ 3 Unit Triplex
 - ☐ 4 Unit Four Plex
 - ☐ Apartment building style with 5 or more units
-

How many bedrooms do you need?

- ☐ One
- ☐ Two
- ☐ Three
- ☐ More than three

How important is it to have a heated garage with your rental?

- ☐ Not important
- ☐ Important
- ☐ Very important

If a heated garage is not available, would a covered unheated carport suffice?

- ☐ Yes
- ☐ No
- ☐ Maybe
- ☐ N/A

Rental Property Acquisition Guide

How important is it to have laundry facilities in the rental unit?

- ☐ Not important
- ☐ Important
- ☐ Very important

If laundry facilities are not available in the individual rental units, would a central shared laundry facility suffice?(for triplex and larger buildings)

- ☐ Yes
- ☐ No

As a renter, what is the preferred location of the property you desire to rent?

- ☐ Within city limits, close proximity to all services
- ☐ Within 5 miles of city center
- ☐ 5 miles or more away from city center

Do you prefer to have your utilities included in your rent or pay for them separately (water, heat, electricity trash etc)?

- ☐ Included in rent
- ☐ paid separately

What is the maximum amount of rent you are willing to pay per month

- ☐ Less than \$600
- ☐ \$600-\$800
- ☐ \$800-\$1000
- ☐ More than \$1000

Rental Property Acquisition Guide

Does the age of a building matter to you if the rental unit is in good condition?

- ☐ Yes
- ☐ Does not Matter
- ☐ No

Please list any other characteristics of a rental property that are important you?

Thank you for taking the time to complete this survey. Your information will be very valuable in my research.

Research Consent Forms

Research Consent Form (Subject Matter Expert)

Rental Property Acquisition Guide

Introduction

You have been selected, and are being asked to provide input, as a Subject Matter Expert for the Capstone Project conducted by Andrew Wareham to satisfy requirements for courses at University of Alaska, Anchorage.

The project is focused on the following Problem Statement:

Crystal River Properties is a privately owned small business started in 2011 whose sole revenue stream relies upon rental income from company owned small multifamily (duplex and triplex) real property assets. In order for the business to expand, additional properties must be acquired to increase revenue. Current real-estate market conditions make it financially impractical to purchase new properties. The most feasible alternative is to consider pre-existing properties, which, if not done correctly, could expose the company to considerable financial risk.

Research is being conducted to gather ideas, validate utility, and support development of the following deliverable:

- Development and publication of a step-by- step guide describing best practices in acquiring rental income properties within the Matanuska Susitna Borough which will be based upon price (anticipated return on investment), location, size, age, type of construction, property condition (recent renovations), insurance and tax rates, lessons learned from past property procurements and risk analysis considerations.

Your contribution to this research will be to provide answers to a series of interview questions relating to your specialty in the real-estate field. This interview will take no more than 30 minutes of your time.

Consent for Participation

VOLUNTARY NATURE OF PARTICIPATION: Your participation in this study is voluntary. If you don't wish to participate, or would like to end your participation in this study, you may quit at any time.

CONFIDENTIALITY: Your name will not be attached to your interview responses. Your name and any other identifiers will be kept in a locked file that is only accessible to me. Any information from this study that is published will not identify you by name.

BENEFITS: There is no direct benefit to you from participating in this study and there are no known risks.

Your signature indicates that you:

Rental Property Acquisition Guide

- (1) are at least 18 years of age.
- (2) fully understand the above study, what is being asked of you, and that you are signing this voluntarily.
- (3) have been given the opportunity to ask questions and they have been answered to your satisfaction.
- (4) have decided to participate based on the information provided on this form.

Please ask any questions you may have now or during the survey. The researcher is Andrew Wareham. You may contact Andrew Wareham at warehamaj@msn.com or by phone at 907-982-2740.

If you have any questions about your rights as a participant in this research, contact Dr. Dianne Toebe, Integrity and Compliance Officer, at UAA Office of Research and Graduate Studies at 907-786-1099.

Your Signature _____ Date _____

Your Printed Name _____

Signature of Researcher _____

Research Consent Form (Tenant Survey)

Rental Property Acquisition Guide

Introduction

You have been selected, and are being asked to provide input, as a Subject Matter Expert for the Capstone Project conducted by Andrew Wareham to satisfy requirements for courses at University of Alaska, Anchorage.

Research is being conducted to gather ideas, validate utility, and support development of the following deliverable:

- Development and publication of a step-by- step guide describing best practices in acquiring rental income properties within the Matanuska Susitna Borough which will be based upon price (anticipated return on investment), location, size, age, type of construction, property condition (recent renovations), insurance and tax rates, lessons learned from past property procurements and risk analysis considerations.

Your contribution to this research will consist of a brief 5-10 minute survey to gather preliminary information regarding desirable characteristics of a rental property from a tenant's point of view.

Consent for Participation

VOLUNTARY NATURE OF PARTICIPATION: Your participation in this study is voluntary. If you don't wish to participate, or would like to end your participation in this study, you may quit at any time.

CONFIDENTIALITY: Your name will not be attached to your interview responses. Your name and any other identifiers will be kept in a locked file that is only accessible to me. Any information from this study that is published will not identify you by name.

BENEFITS: There is no direct benefit to you from participating in this study and there are no known risks.

Your selection of "I do Consent" represents your electronic signature and indicates that you:

- (5) are at least 18 years of age.
- (6) have read the information on this form.
- (7) have been given the opportunity to ask questions and they have been answered to your satisfaction.
- (8) have decided to participate based on the information provided on this form.

Your signature on this consent form indicates that you fully understand the above study, what is being asked of you in this study, and that you are signing this voluntarily.

Please ask any questions you may have now or during the survey. The researcher is Andrew Wareham. You may contact Andrew Wareham at warehamaj@msn.com or by phone at 907-982-2740.

Rental Property Acquisition Guide

If you have any questions about your rights as a participant in this research, contact Dr. Dianne Toebe, Integrity and Compliance Officer, at UAA Office of Research and Graduate Studies at 907-786-1099.

Rental Property Acquisition Guide

Appendix D - Project Status Reports

PM 686A Project Status Report Dashboard PPM#1

Date: February 7, 2014

Project Title: Rental Property Acquisition Guide

Synopsis of Project	Progress Since Last Report
<p><i>What it's about and what it will deliver?</i></p> <p>This project will encompass production of a step by step, user friendly, Income Property Acquisition Guide for Crystal River Properties based upon research and lessons learned from prior property acquisitions.</p>	<p><i>Key tasks completed and key tasks started.</i></p> <p>Required deliverables for PPM#1:</p> <ul style="list-style-type: none"> - Stakeholder ID and Analysis - Project charter (signed) - Prelim Schedule & WBS - Project abstract - Sponsor letter - Preliminary GSP - Knowledge area selection - IRB Training complete
Current Status	Forecast
<p><i>Where am I now? Am I on track to meet next PPM deliverables?</i></p> <p>Ahead of schedule (task wise)</p>	<p><i>Is project tracking to next PPM and beyond towards project completion? (Big picture view)</i></p> <p>Project on track to next PPM</p>
Anticipated Changes/Key Risks/Corrective Actions	Key Takeaways/Where Help Needed
<p><i>Imminent change, risks/responses, and corrective actions/timing required to keep project on track.</i></p> <p>No anticipated changes at present, may discover more risks to be incorporated into the plan</p>	<p><i>Wrap up with key items and where help needed from stakeholders.</i></p> <p>Takeaways : although I am on schedule , I find that everything takes a little longer than I anticipate to complete.</p> <p>1st Lesson Learned: always "op-check" programs/equipment. I discovered the night before PPM#1 was due that my version of WBS Chart Pro was expired which created a little unnecessary stress.</p>

Rental Property Acquisition Guide

PM 686A Project Status Report Dashboard PPM#2

Date: February 28, 2014

Project Title: Rental Property Acquisition Guide

Synopsis of Project	Progress Since Last Report
<p><i>What it's about and what it will deliver?</i></p> <p>This project will encompass production of a step by step, user friendly, Income Property Acquisition Guide for Crystal River Properties based upon research and lessons learned from prior property acquisitions.</p>	<p><i>Key tasks completed and key tasks started.</i></p> <p>Tasks completed for PPM#2:</p> <ul style="list-style-type: none"> - Project scope statement - Requirements documentation - Updated WBS & Schedule - TOC for PM Plan & Project Report - Research Sources and Key Words - Preliminary research methods & approach to analysis - Signed Student/Advisory Committee "contract" <p>Tasks Started for PPM#3 and beyond:</p> <ul style="list-style-type: none"> - PPM#3 started with PMP and IRB docs
Current Status	Forecast
<p><i>Where am I now? Am I on track to meet next PPM deliverables?</i></p> <p>Ahead of schedule (task wise)</p> <p>Approximately 75% complete with IRB application (forms interview questions, format etc.)</p> <p>Narrowed down knowledge area focus because I had originally had 5 and wanted to make sure I could adequately cover at least 4 that were pertinent to my project.</p>	<p><i>Is project tracking to next PPM and beyond towards project completion? (Big picture view)</i></p> <p>Project on track to next PPM</p>
Anticipated Changes/Key Risks/Corrective Actions	Key Takeaways/Where Help Needed
<p><i>Imminent change, risks/responses, and corrective actions/timing required to keep project on track.</i></p> <p>No anticipated changes at present.</p> <p>Need to fix MS project schedule to properly reflect KPIs</p>	<p><i>Wrap up with key items and where help needed from stakeholders.</i></p> <p>Takeaways : Need to get with Roger to figure out how to track progress via work scheduled times versus time to actually complete the work. To demonstrate KPI knowledge.</p>

Rental Property Acquisition Guide

One Page PM 686A Project Status Report Dashboard #3

Date: March 28, 2014

Project Title: Rental Property Acquisition Guide

Synopsis of Project	Progress Since Last Report
<p><i>What it's about and what it will deliver?</i></p> <p>This project will encompass production of a step by step, user friendly, Income Property Acquisition Guide for Crystal River Properties based upon research and lessons learned from prior property acquisitions.</p>	<p><i>Key tasks completed and key tasks started.</i></p> <p>Tasks completed for PPM#3:</p> <ul style="list-style-type: none"> - Written draft of project management plan - Revised abstract - Description of research methods - Description of expected project deliverables - Gantt chart update - Update on 3-4 Knowledge areas processes applied and measured during project to demonstrate mastery. <p>Tasks Started for PPM#4 and beyond:</p> <ul style="list-style-type: none"> - PPM#4 started with presentation and IRB approval
Current Status	Forecast
<p><i>Where am I now? Am I on track to meet next PPM deliverables?</i></p> <p>On schedule (task wise)</p> <p>IRB Application complete and approved</p> <p>Working on presentation</p>	<p><i>Is project tracking to next PPM and beyond towards project completion? (Big picture view)</i></p> <p>With IRB approved Project is definitely on track to next PPM</p>
Anticipated Changes/Key Risks/Corrective Actions	Key Takeaways/Where Help Needed
<p><i>Imminent change, risks/responses, and corrective actions/timing required to keep project on track.</i></p> <p>No anticipated changes at present.</p> <p>MS project schedule now reflects project KPIs</p>	<p><i>Wrap up with key items and where help needed from stakeholders.</i></p> <p>Takeaways : Plan early for IRB. Was a long process. No help needed at this time</p>

Rental Property Acquisition Guide

One Page PM 686B Project Status Report Dashboard #1

Name: Andrew Wareham

Date: September 5, 2014

Project Title: Rental Property Acquisition Guide

Synopsis of Project	Progress Since Last Report
<p><i>What it's about and what it will deliver?</i></p> <p>This project will encompass production of a step by step, user friendly, Income Property Acquisition Guide for Crystal River Properties based upon research and lessons learned from prior property acquisitions.</p>	<p><i>Key tasks completed and key tasks started.</i></p> <p>Tasks completed for PPM#1:</p> <ul style="list-style-type: none"> - Updated project management plan - Revised abstract - Data collection complete over summer - Updated Gantt chart - Revised 3-4 Knowledge areas processes applied and measured during project to demonstrate mastery. <p>Tasks Started for PPM#1 and beyond:</p> <ul style="list-style-type: none"> - Working deliverables
Current Status	Forecast
<p><i>Where am I now? Am I on track to meet next PPM deliverables?</i></p> <p>On schedule (task wise)</p>	<p><i>Is project tracking to next PPM and beyond towards project completion? (Big picture view)</i></p> <p>Tracking as planned to next PPM</p>
Anticipated Changes/Key Risks/Corrective Actions	Key Takeaways/Where Help Needed
<p><i>Imminent change, risks/responses, and corrective actions/timing required to keep project on track.</i></p> <p>No anticipated changes at present.</p> <p>MS project schedule up to date</p>	<p><i>Wrap up with key items and where help needed from stakeholders.</i></p> <p>Takeaways : Plan early</p>

Rental Property Acquisition Guide

One Page PM 686B Project Status Report Dashboard #2

Name: Andrew Wareham

Date: September 26, 2014

Project Title: Rental Property Acquisition Guide

Synopsis of Project	Progress Since Last Report
<p><i>What it's about and what it will deliver?</i></p> <p>This project will encompass production of a step by step, user friendly, Income Property Acquisition Guide for Crystal River Properties based upon research and lessons learned from prior property acquisitions.</p>	<p><i>Key tasks completed and key tasks started.</i></p> <p>All Tasks completed for PPM#1</p> <ul style="list-style-type: none"> - Updated project management plan - Data collection and under analysis - Updated Gantt chart - Revised 3-4 Knowledge areas processes applied and measured during project to demonstrate mastery. <p>Tasks Started for PPM#2 and beyond:</p> <ul style="list-style-type: none"> - Working deliverables - Working final paper - Updated TOC
Current Status	Forecast
<p><i>Where am I now? Am I on track to meet next PPM deliverables?</i></p> <p>On schedule (task wise) WPI is tracking trending towards 1 currently .78 due to research delays back during the summer</p>	<p><i>Is project tracking to next PPM and beyond towards project completion? (Big picture view)</i></p> <p>Tracking as planned to next PPM</p>
Anticipated Changes/Key Risks/Corrective Actions	Key Takeaways/Where Help Needed
<p><i>Imminent change, risks/responses, and corrective actions/timing required to keep project on track.</i></p> <p>No anticipated changes at present.</p> <p>MS project schedule up to date</p>	<p><i>Wrap up with key items and where help needed from stakeholders.</i></p> <p>Takeaways : Plan early and don't be afraid to adapt and adjust to make things work.</p> <p>Remember small changes to the plan can affect the entire project.</p>

Rental Property Acquisition Guide

One Page PM 686B Project Status Report Dashboard #3

Name: Andrew Wareham

Date: October 24, 2014

Project Title: Rental Property Acquisition Guide

Synopsis of Project	Progress Since Last Report
<p><i>What it's about and what it will deliver?</i></p> <p>This project will encompass production of a step by step, user friendly, Income Property Acquisition Guide for Crystal River Properties based upon research and lessons learned from prior property acquisitions.</p>	<p><i>Key tasks completed and key tasks started.</i></p> <p>All Tasks completed for PPM#2</p> <ul style="list-style-type: none"> - Updated project management plan - Data collection under analysis - Updated Gantt chart - Revised 3-4 Knowledge areas processes applied and measured during project to demonstrate mastery. <p>Tasks Started for PPM#3 and beyond:</p> <ul style="list-style-type: none"> - Working deliverables - Working final paper - Research results completed
Current Status	Forecast
<p><i>Where am I now? Am I on track to meet next PPM deliverables?</i></p> <p>On schedule (task wise) WPI is tracking trending towards 1 currently .81</p>	<p><i>Is project tracking to next PPM and beyond towards project completion? (Big picture view)</i></p> <p>Tracking as planned to next PPM</p>
Anticipated Changes/Key Risks/Corrective Actions	Key Takeaways/Where Help Needed
<p><i>Imminent change, risks/responses, and corrective actions/timing required to keep project on track.</i></p> <p>No anticipated changes at present.</p> <p>MS project schedule up to date</p>	<p><i>Wrap up with key items and where help needed from stakeholders.</i></p> <p>Takeaways : Research results are quite different from my original personal biases.</p> <p>Writing paper and developing deliverable are proving more challenging than originally thought</p>

Rental Property Acquisition Guide

One Page PM 686B Project Status Report Dashboard #4

Name: Andrew Wareham

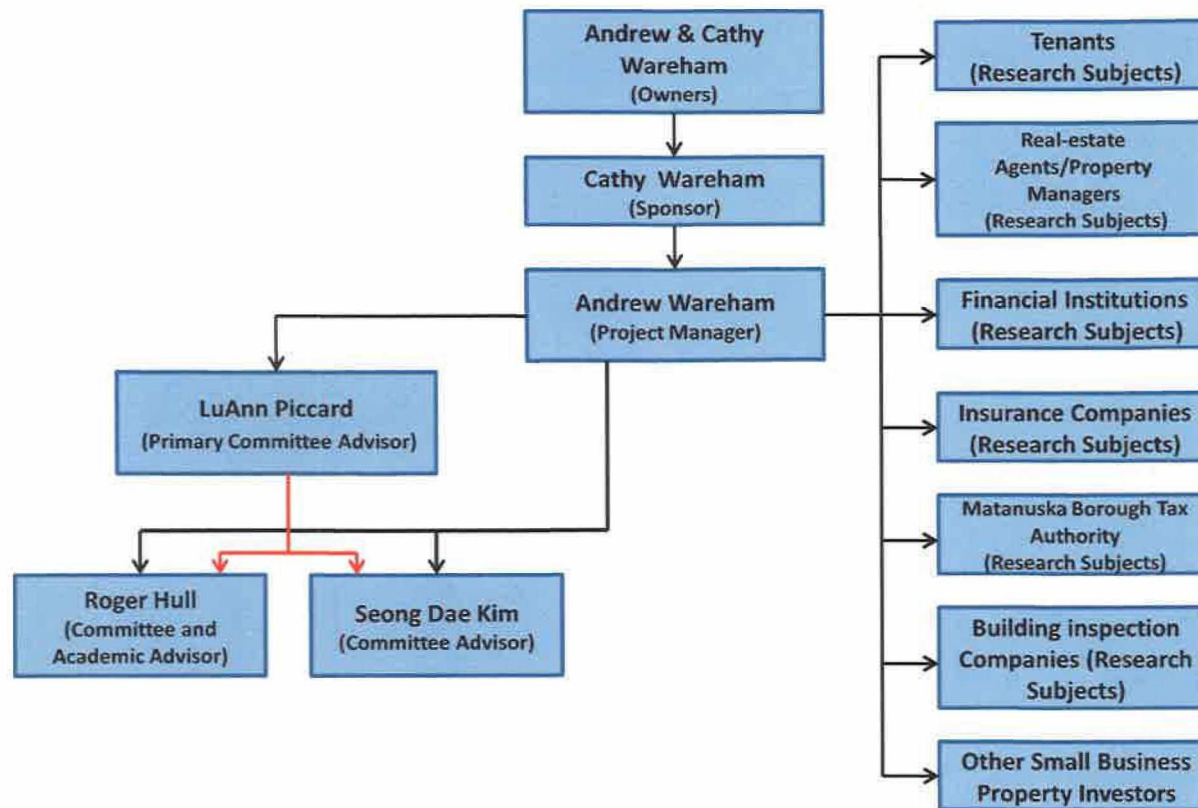
Date: November 14, 2014

Project Title: Rental Property Acquisition Guide

Synopsis of Project	Progress Since Last Report
<p><i>What it's about and what it will deliver?</i></p> <p>This project will encompass production of a step by step, user friendly, Income Property Acquisition Guide for Crystal River Properties based upon research and lessons learned from prior property acquisitions.</p>	<p><i>Key tasks completed and key tasks started.</i></p> <p>All Tasks completed for PPM#3</p> <ul style="list-style-type: none"> - Working draft of final project report complete - Deliverable complete - Data analysis & research conclusion complete - Schedule and PMP up to date - Revised 3-4 Knowledge areas processes applied and measured during project to demonstrate mastery. <p>Tasks Started for PPM#4 and beyond:</p> <ul style="list-style-type: none"> - PPT in progress - Working final versions of project report, deliverables and conclusions
Current Status	Forecast
<p><i>Where am I now? Am I on track to meet next PPM deliverables?</i></p> <p>On schedule (task wise) WPI continues to trend towards 1</p>	<p><i>Is project tracking to next PPM and beyond towards project completion? (Big picture view)</i></p> <p>Tracking as planned to next PPM</p>
Anticipated Changes/Key Risks/Corrective Actions	Key Takeaways/Where Help Needed
<p><i>Imminent change, risks/responses, and corrective actions/timing required to keep project on track.</i></p> <p>No anticipated changes at present.</p> <p>MS project schedule up to date</p>	<p><i>Wrap up with key items and where help needed from stakeholders.</i></p> <p>No help required</p> <p>Takeaways : Good solid PPM#3 is crucial for continued success in the program</p>

Appendix E - Project Team Organization Chart

Crystal River Properties Income Property Acquisition Guide Project Structure



Appendix F - Sponsor Support Letter

Crystal River Properties

January 27, 2014

University of Alaska Anchorage
Project Management Department
University Center, Room 155
3901 Old Seward Highway
Anchorage, Alaska 99503

Attn: Primary Committee Advisor LuAnn Piccard
RE: Sponsorship Letter for MSPM Capstone Project

Dear Ms. Piccard,

This letter is to express my support for my husband and business partner, Andrew Wareham, with his Capstone Project to develop a "Rental Property Acquisition Guide" for our small business.

Crystal River Properties (CRP) has been in business since 2011 as a rental property management venture. CRP's sole source of income is through the collection of rents from company owned small multifamily properties (3 units or less). Business expansion and future profits hinge upon the acquisition of additional economically viable properties that will minimize our exposure to financial risk.

I believe that his research will provide a systematic approach and risk analysis to property acquisition which will significantly enhance the future success of our business. I am looking forward to utilizing the final product as a guide for our future property acquisition endeavors.

Sincerely,



Cathy M. Wareham
Co-Owner, *Crystal River Properties*
7937 North Grouse Loop
Wasilla, Alaska 99654
907-864-0991

Rental Property Acquisition Guide

Appendix G - Student Advisory Committee Contract

Andrew Wareham PM 686A Spring 2014

Expectations for PM 686A and 686B Capstone Project Advising 121713

Area of Responsibility	Student	Primary Advisor (1 person)	Committee Members (2 people)	Instructor of Record (IOR) and Admin Staff
Project Management	PRIMARY OWNER	Coaching, feedback and assessment	Coaching, feedback and assessment input	
Communication and Stakeholder Management	<ul style="list-style-type: none"> • Clear description of project • Proactive selection of Advisor and Committee members • Demonstrate effective communication and stakeholder management by determining and coordinating necessary and agreed modes and setting expectations for timing, and emphasis or tailoring of feedback and communication across with PA and committee (and other stakeholders) • Provide regular status reports as agreed with PA and committee • Identify and resolve communication issues • Identify, balance and resolve contradictory 	<ul style="list-style-type: none"> • Email confirmation of agreement to serve • Availability as agreed 	<ul style="list-style-type: none"> • Email confirmation of agreement to serve • Availability as agreed 	<ul style="list-style-type: none"> • Faculty specialties matrix • Session Lectures • Syllabus • Blackboard materials • Announcements • AV set up • Final presentation schedule and logistics • Student and committee support as requested • Adjunct Faculty appointment letters • Escalation path

Rental Property Acquisition Guide

Andrew Wareham PM 686A Spring 2014

	<ul style="list-style-type: none"> inputs Discuss and get signatures for "Expectations" from student, advisor and committee members and submit to PM office. 			
Project Deliverables	<ul style="list-style-type: none"> Complete work per syllabus Incorporate feedback from PA, committee and stakeholders 			
Feedback	<ul style="list-style-type: none"> Determine type, timing and format of feedback from PA and committee Solicit, coordinate and integrate feedback from stakeholders, PA and committee for PPMs and final project deliverables Identify, balance and resolve contradictory inputs 	Provide agreed feedback on timely basis	Provide agreed feedback on timely basis	
Final Presentation	<ul style="list-style-type: none"> Prepare Present 	<ul style="list-style-type: none"> Attend Provide Feedback 	<ul style="list-style-type: none"> Attend Provide Feedback 	<ul style="list-style-type: none"> Coordinate schedule and logistics
Assessment and Grading		<ul style="list-style-type: none"> Coordinate input from committee for 4 PPMs and final project 	Provide input to primary advisor for: 4 PPMs Final deliverables Go/No	<ul style="list-style-type: none"> Input 4 PPMs and final deliverables scores to Blackboard Ensure

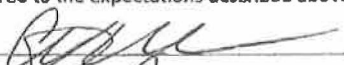
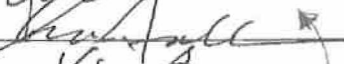
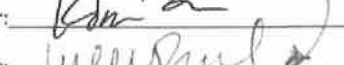
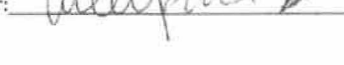
Rental Property Acquisition Guide

Andrew Wareham PM 686A Spring 2014

		deliverables <ul style="list-style-type: none"> • Assignment of PPM scores • Provide scores to IOR • Go/No checkpoint recommendation • Assign final grade 	checkpoints	consistency across students <ul style="list-style-type: none"> • Communicate go/no-go decisions to students • Input final grade to UA Online
Administrative Documents	<ul style="list-style-type: none"> • GSP preparation and submission to PM Office • Signed Expectations agreement • IRB submittal (686A) • Apply for graduation (686B) • RSVP for Hooding and commencement (686B) 			<ul style="list-style-type: none"> • Graduate Studies Plan (GSP signatures and processing) • Include signed "Expectations" form in student file. • DF paperwork and annual progress report for students • Graduation Audit • Graduation Requirement Report (GRR) • Archive final project deliverables

Student is responsible for obtaining the following signatures and submitting completed form to PM office to include in student file.

I understand and agree to the expectations described above:

Student Signature:  Date: 2/7/14
 Advisor Signature:  Date: 2/7/2014
 Committee Member:  Date: 2/7/2014
 Committee Member:  Date: 2/7/2014

Rental Property Acquisition Guide

Andrew Wareham PM 686B Fall 2014

Expectations for PM 686A and 686B Capstone Project Advising 121713

Area of Responsibility	Student	Primary Advisor (1 person)	Committee Members (2 people)	Instructor of Record (IOR) and Admin Staff
Project Management	PRIMARY OWNER	Coaching, feedback and assessment	Coaching, feedback and assessment input	
Communication and Stakeholder Management	<ul style="list-style-type: none"> • Clear description of project • Proactive selection of Advisor and Committee members • Demonstrate effective communication and stakeholder management by determining and coordinating necessary and agreed modes and setting expectations for timing, and emphasis or tailoring of feedback and communication across with PA and committee (and other stakeholders) • Provide regular status reports as agreed with PA and committee • Identify and resolve communication issues • Identify, balance and resolve contradictory 	<ul style="list-style-type: none"> • Email confirmation of agreement to serve • Availability as agreed 	<ul style="list-style-type: none"> • Email confirmation of agreement to serve • Availability as agreed 	<ul style="list-style-type: none"> • Faculty specialties matrix • Session Lectures • Syllabus • Blackboard materials • Announcements • AV set up • Final presentation schedule and logistics • Student and committee support as requested • Adjunct Faculty appointment letters • Escalation path

Rental Property Acquisition Guide

Andrew Wareham PM 686B Fall 2014

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Feedback	<ul style="list-style-type: none"> Determine type, timing and format of feedback from PA and committee Solicit, coordinate and integrate feedback from stakeholders, PA and committee for PPMs and final project deliverables Identify, balance and resolve contradictory inputs 	Provide agreed feedback on timely basis	Provide agreed feedback on timely basis	
Final Presentation	<ul style="list-style-type: none"> Prepare Present 	<ul style="list-style-type: none"> Attend Provide Feedback 	<ul style="list-style-type: none"> Attend Provide Feedback 	<ul style="list-style-type: none"> Coordinate schedule and logistics
Assessment and Grading		<ul style="list-style-type: none"> Coordinate input from committee for 4 PPMs and final project 	Provide input to primary advisor for: 4 PPMs Final deliverables Go/No	<ul style="list-style-type: none"> Input 4 PPMs and final deliverables scores to Blackboard Ensure

Rental Property Acquisition Guide

Andrew Wareham PM 686B Fall 2014

		deliverables <ul style="list-style-type: none"> • Assignment of PPM scores • Provide scores to IOR • Go/No checkpoint recommendation • Assign final grade 	checkpoints	consistency across students <ul style="list-style-type: none"> • Communicate go/no-go decisions to students • Input final grade to UA Online
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Student is responsible for obtaining the following signatures and submitting completed form to PM office to include in student file.

I understand and agree to the expectations described above:

Student Signature: [Signature] Date: 9/5/14
 Advisor Signature: [Signature] Date: 9/5/2014
 Committee Member: [Signature] Date: 9/5/2014
 Committee Member: [Signature] Date: 9/5/2014

Appendix H - Approved Change Requests

Rental Property Acquisition Guide

Change Request Template

Project Title: Rental Property Acquisition Guide Date Prepared: 7/20/14

Person Requesting Change: Andrew Wareham Change Number: CH2

Category of Change:

- | | | |
|-------------------------------------------|-----------------------------------|---------------------------------------|
| <input checked="" type="checkbox"/> Scope | <input type="checkbox"/> Quality | <input type="checkbox"/> Requirements |
| <input type="checkbox"/> Cost | <input type="checkbox"/> Schedule | <input type="checkbox"/> Documents |

Detailed Description of Proposed Change:

Add work package to WBS to include hard copy OF tenant survey And manual Input into Qualtrics system of collected information for analysis.

Justification for Proposed Change:

Realized risk registration (R8) No surveys completed on line by deadline

Impacts of Change:

Scope	<input checked="" type="checkbox"/> Slight Increase	<input type="checkbox"/> Decrease	<input type="checkbox"/> Modify
Description: perform risk response per Risk Management plan			
Quality	<input type="checkbox"/> Increase	<input type="checkbox"/> Decrease	<input type="checkbox"/> Modify
Description: N/A			
Requirements	<input type="checkbox"/> Increase	<input type="checkbox"/> Decrease	<input checked="" type="checkbox"/> Modify
Description: Gather data manually vs. Electronically			
Cost	<input type="checkbox"/> Increase	<input type="checkbox"/> Decrease	<input type="checkbox"/> Modify
Description: N/A			
Schedule	<input checked="" type="checkbox"/> Slight Increase	<input type="checkbox"/> Decrease	<input type="checkbox"/> Modify

Rental Property Acquisition Guide

Rental Property Acquisition Guide

Description:	Manual input of data + waiting for survey takes more time
Project Documents	Update WBS / Gantt / Risk Register Change Log + PMP TOC
Comments:	

Disposition



Approve



Defer



Reject

Justification:

Risk response required

Change Control Board Signatures:

Name	Role	Signature
Cathy Wareham	Sponsor	Cathy M Ware
Andre Wareham	Project Manager	

Date:

7/21/14

PROJECT CHARTER


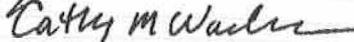
Crystal River Properties **Rental Property Acquisition Guide**

VERSION: 3

REVISION DATE: 3/05/2014

AW
CW

Approval of the Project Charter indicates an understanding of the purpose and content described in this document. By signing this document, each individual agrees work should be initiated on this project and necessary resources should be committed as described herein.

Approver Name	Title	Signature	Date
Andrew Wareham	Owner/Project Manager		1/28/2014
Cathy Wareham	Project-Sponsor	 Cathy M. Wareham	1/28/201

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Section 1. Project Overview

1.1 Problem Statement

Crystal River Properties is a privately owned small business started in 2011 whose sole revenue stream relies upon rental income from company owned small multifamily (duplex and triplex) real property assets. In order for the business to expand, additional properties must be acquired to increase revenue. Purchasing the wrong property could be devastating to the financial health of the company if not done in the proper fashion.

1.2 Project Description

This project will encompass production of a step by step, user friendly, income property acquisition guide (MS Word document, PDF or hard copy) based upon research and lessons learned from prior property acquisitions.

1.3 Project Goals and Objectives

Provide management with a usable guide to ensure acquisition of company assets in the most economically feasible manner. Make guide available to other similarly sized rental property businesses.

Project Business Goals include:

- Equipping company decision makers with the requisite tools make sound property acquisition final decisions.
- Minimizing company's exposure financial to risk.
- Providing a means to increase company revenue and safely expand business.
- Enabling Company to gain highest return on investment for business owned real property assets.

1.4 Project Scope

Project Includes
Research and identification of systematic selection criteria for evaluating and acquiring rental income properties packaged into a step-by-step user guide for income property acquisition. Assessment criteria will be based upon price (anticipated return on investment), location, size, age, type of construction, property condition (recent renovations), insurance and tax rates, lessons learned from past property procurements and risk analysis considerations.

Project Excludes

Actual real-estate market research for the purposes of placing offer to purchase and acquisition of additional income properties.

1.5 Critical Success Factors

This project will be considered successful:

- If PPM deliverable requirements are met on schedule.
- When the Rental Property Acquisition Guide final deliverable has been completed, presented and made available to sponsor and other small rental income property businesses.

1.6 Assumptions

Assumptions for this project include:

- Ample data sets will be available for research.
- Local real-estate market conditions will remain essentially unchanged.
- Economy and rental market will remain stable over the course of the project.

1.7 Constraints

Constraints for this project include:

- There are no monetary resources allocated for this project.
- This project must be completed no later than 31 December 2014.
- Project Manager is the sole resource for this project.

1.8 Project Risks

Internal:

- Project Manager does not meet set deadlines.
- Project manager's main job overwhelms ability to complete project.
- Project does not make it past "Go/No-Go stage."
- Sponsor no longer supports project.

External:

- IRB approval not complete by deadline.
- Research data subject's availability impact's schedule deadlines.
- Sufficient data not available for accurate research conclusions.
- Real-estate market conditions change requiring significant scope change.
- Economy and interest rates change resulting in required scope changes.

Section 2. Project Authority and Milestones

2.1 Funding Authority

This project has no budget. Owner/project manager has agreed to provide project management expertise and rental property acquisition research and knowledge at no cost to Crystal River properties.

2.2 Project Oversight Authority

Project management control over this project will be at the sole discretion of the project manager, Andrew Wareham, with inputs from the PM686 Advisory committee and project Sponsor Cathy Wareham.

2.3 Major Project Milestones

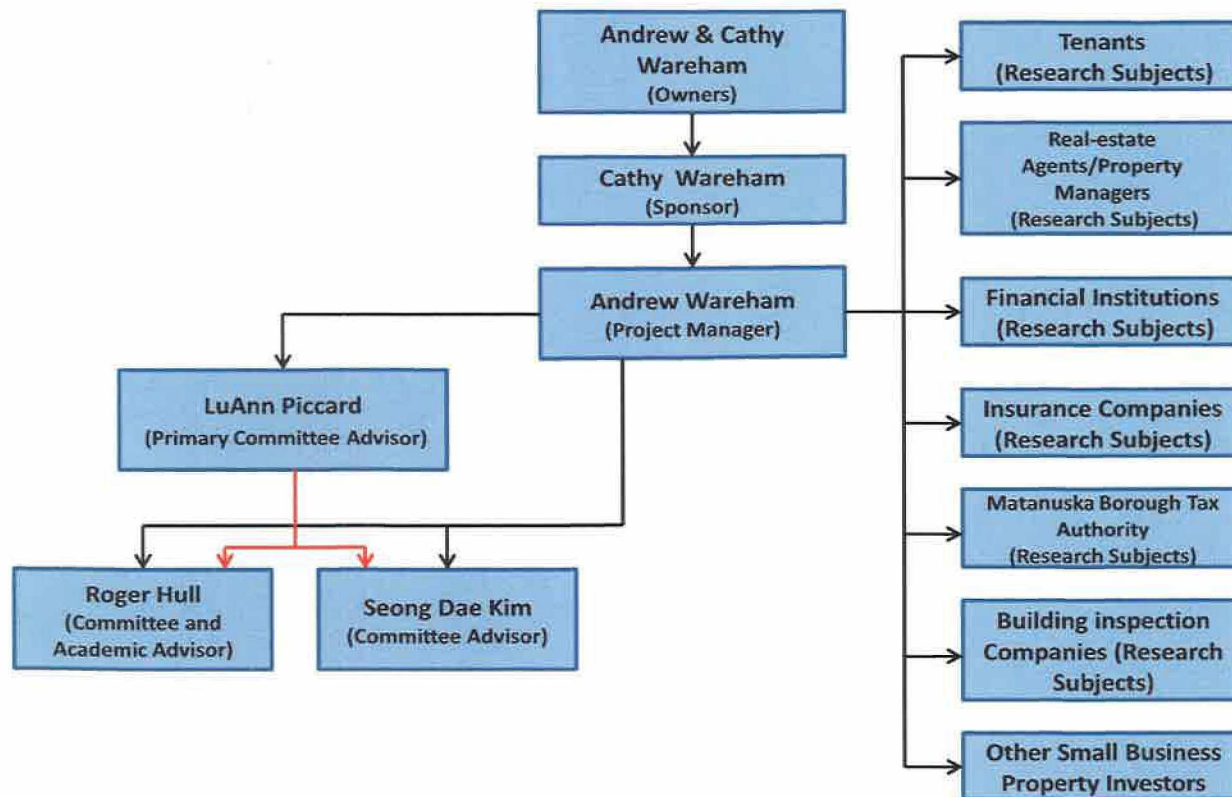
Project's major milestones, deliverables and target dates for delivery, are listed below.

Milestone/Deliverable	Target Date
PM 686A Project Performance Milestone (PPM) #1	31 January 2014
PM 686A Project Performance Milestone (PPM) #2	21 February 2014
PM 686A Project Performance Milestone (PPM) #3	14 March 2014
PM 686A Project Performance Milestone (PPM) #4	11 April 2014
PM 686A "Go/No-go" Decision	16 April 2014
PM 686A Present Final Oral Defense	21-22 April 2014
PM 686A Final Deliverable Submission	28 April 2014
PM 686B Project Performance Milestone (PPM) #1-#4	TBD September - December 2014
PM686B Final Capstone Project Presentation	TBD December 2014
PM686B Final Capstone Deliverable Submission	TBD December 2014

Section 3. Project Organization

3.1 Project Structure

Crystal River Properties Income Property Acquisition Guide Project Structure



3.2 Roles and Responsibilities

Roles and responsibilities summary for the project team and stakeholders identified in the project structure above:

Role	Responsibility
Project Sponsor (Cathy Wareham)	Provide sponsorship support
Project Manager (Andrew Wareham)	Manage the project and produce required deliverables
Primary Committee Advisor (LuAnn Piccard)	Project management guidance and support
Committee Advisor and Academic Advisor (Roger Hull)	Project management guidance and Academic support
Committee Advisor (Seong Dae Kim)	Project management guidance and support
Tenants	Provide Voluntary Research Data
Real-estate Agents	Provide Voluntary Research Data
Financial Institutions	Provide Voluntary Research Data
Insurance Providers	Provide Voluntary Research Data

3.3 Responsibility Matrix

Complete the responsibility matrix for each of the project roles. As a graphical depiction of a more detailed perspective of responsibilities, the matrix should reflect by functional role the assigned responsibility for key milestones and activities.

Major Milestone	Project Sponsor	Project Manager	Advisory Committee	Tenants	Real-estate Agents	Financial Institutions	Insurance Companies
PM 686A Project Performance Milestone (PPM) #1	I, C	R	A				
PM 686A Project Performance Milestone (PPM) #2	I, C	R	A	C	C	C	C
PM 686A Project Performance Milestone (PPM) #3	I, C	R	A	C	C	C	C
PM 686A Project Performance Milestone (PPM) #4	I, C	R	A				
PM 686A "Go/No-go" Decision	I	I	R				
PM 686A Present Final Oral Defense	I	R	A				
PM 686A Final Deliverable Submission	I	R	A				
PM 686B Project Performance Milestone (PPM) #1-#4	I, C	R	A	C	C	C	C
PM686B Final Capstone Project Presentation	I	R	A				
PM686B Final Capstone Deliverable Submission	I, A	R	A				

Major Milestone	Project Sponsor	Project Manager	Advisory Committee	Tenants	Real-estate Agents	Financial Institutions	Insurance Companies
Legend R = responsible for execution (may be shared) A = final approval for authority C = must be consulted I = Informed							

3.4 Project Facilities and Resources

Describe the project's requirements for facilities and resources, such as office space, special facilities, computer equipment, office equipment, and support tools. Identify responsibilities for provisioning the specific items needed to support the project development environment.

Resource Requirement	Responsibility
Office Space	Andrew Wareham
Laptop Computer	Andrew Wareham
Printer access	Andrew Wareham
CD Rom Media disc for submittal of final project deliverables	Andrew Wareham
Internet connection	Andrew Wareham
Presentation facility/classroom for final presentation of project deliverables	UAA Admin Team

Section 4. Points of Contact

Identify and provide contact information for the primary and secondary contacts for the project.

Role	Name/Title/Organization	Phone	Email
Project Manager	Andrew Wareham/Crystal River Properties	907-982-2740	awareham@alaska.edu
Sponsor	Cathy Wareham/Crystal River Properties	907-864-0991	warehamaj@yahoo.com
Academic Advisor	Roger Hull/Advisory/committee member, professor, UAA	907-786-1923	rkhull@uaa.alaska.edu
Primary Committee Advisor	Luann Piccard/Dept Chair MSPM, professor, UAA	907-786-1917	Lpiccard2@uaa.alaska.edu
Committee Advisor	Seong Dae Kim/committee member, professor, UAA	907-786-1922	sdkim2@uaa.alaska.edu

Section 5. Revision History

Identify document changes.

Version	Date	Name	Description
1.0	1/28/2014	Andrew Wareham	Original Charter
2.0	2/17/2014	Andrew Wareham	Update from PPM#1
3.0	3/05/2014	Andrew Wareham	Update from PPM#2

Crystal River Properties

January 27, 2014

University of Alaska Anchorage
Project Management Department
University Center, Room 155
3901 Old Seward Highway
Anchorage, Alaska 99503

Attn: Primary Committee Advisor LuAnn Piccard
RE: Sponsorship Letter for MSPM Capstone Project

Dear Ms. Piccard,

This letter is to express my support for my husband and business partner, Andrew Wareham, with his Capstone Project to develop a "Rental Property Acquisition Guide" for our small business.

Crystal River Properties (CRP) has been in business since 2011 as a rental property management venture. CRP's sole source of income is through the collection of rents from company owned small multifamily properties (3 units or less). Business expansion and future profits hinge upon the acquisition of additional economically viable properties that will minimize our exposure to financial risk.

I believe that his research will provide a systematic approach and risk analysis to property acquisition which will significantly enhance the future success of our business. I am looking forward to utilizing the final product as a guide for our future property acquisition endeavors.

Sincerely,



Cathy M. Wareham
Co-Owner, *Crystal River Properties*
7937 North Grouse Loop
Wasilla, Alaska 99654
907-864-0991

